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SENATE

{ REPORT
105-212

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG
ADMINISTRATION, AND RELATED AGENCIES APPROPRIATION BILL, 1999

—————
JUNE 11, 1998.—Ordered to be printed
—————

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

REPORT

[To accompany S. 2159]

The Committee on Appropriations reports the bill (S. 2159) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1999, and for other purposes, reports favorably thereon and recommends that the bill do pass.

Total obligational authority, fiscal year 1999

Amount of bill as reported to the Senate	\$56,813,535,000
Amount of 1998 appropriations acts to date	49,753,136,000
Amount of estimates, 1999	57,780,138,000
The bill as recommended to the Senate:	
Over the appropriations provided in 1998	7,060,399,000
Under the estimates for 1999	966,603,000

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BREAKDOWN BY TITLE

The amounts of obligational authority for each of the six titles are shown in the following table. A detailed tabulation, showing comparisons, appears at the end of this report. Recommendations for individual appropriation items, projects and activities are carried in this report under the appropriate item headings.

	1998 ¹	1999 Committee recommendation
Title I: Agricultural programs	\$6,940,232,000	\$14,316,921,000
Title II: Conservation programs	786,474,000	791,852,000
Title III: Rural economic and community development programs	2,087,222,000	2,172,404,000
Title IV: Domestic food programs	37,222,519,000	37,317,407,000
Title V: Foreign assistance and related programs	1,725,715,000	1,198,669,000
Title VI: Related agencies	990,974,000	1,016,282,000
Total, new budget (obligational) authority	49,753,136,000	56,813,535,000

¹ Includes enacted nonemergency supplemental appropriations and rescissions (Public Law 105-174), and \$1,940,000 in budget authority canceled by the President pursuant to Public Law 104-130.

COMPLIANCE WITH SECTION 308(a) OF THE BUDGET CONTROL ACT

Section 308(a) of the Budget Control Act (Public Law 93-344) requires that this Committee include in its report specific budgetary information on the status of recommended appropriations relative to the First Concurrent Resolution. The following table provides this data:

BUDGETARY IMPACT OF BILL

PREPARED IN CONSULTATION WITH THE CONGRESSIONAL BUDGET OFFICE PURSUANT TO SEC.
308(a), PUBLIC LAW 93-344, AS AMENDED

[In millions of dollars]

	Budget authority		Outlays	
	Committee allocation	Amount of bill	Committee allocation	Amount of bill
Comparison of amounts in the bill with Committee allocations to its subcommittees of amounts for 1999: Subcommittee on Agriculture, Rural Development, and Related Agencies				
Defense discretionary .....	.....	.....	.....	.....
Nondefense discretionary	13,715	13,715	14,080	¹ 14,080
Violent crime reduction fund .....	.....	.....	.....	.....
Mandatory	41,460	43,477	33,429	33,090
Projections of outlays associated with the recommendation:				
1999 .....	.....	.....	.....	² 41,065
2000 .....	.....	.....	.....	6,088
2001 .....	.....	.....	.....	594
2002 .....	.....	.....	.....	334
2003 and future year .....	.....	.....	.....	462
Financial assistance to State and local governments for 1999 in bill	NA	18,436	NA	14,800

¹ Includes outlays from prior-year budget authority.

² Excludes outlays from prior-year budget authority.

NA: Not applicable.

OVERVIEW AND SUMMARY OF THE BILL

The Agriculture, Rural Development, Food and Drug Administration, and Related Agencies appropriations bill provides funding for a wide array of Federal programs, mostly in the U.S. Department of Agriculture [USDA]. These programs include agricultural research, education, and extension activities; natural resources conservation programs; farm income and support programs; marketing and inspection activities; domestic food programs; rural economic and community development activities and electrification assistance; and various export and international activities of the USDA.

The bill also provides funding for the Food and Drug Administration [FDA] and the Commodity Futures Trading Commission [CFTC], and allows the use of collected fees for administrative expenses of the Farm Credit Administration [FCA]. It also provides money to the Department of the Treasury for payments to the Farm Credit System Financial Assistance Corporation.

Given the budgetary constraints that the Committee faces, the bill as reported provides the proper amount of emphasis on agricultural and rural development programs. It is within the subcommittee's 302(b) allocation.

All accounts in the bill have been closely examined to ensure that an appropriate level of funding is provided to carry out the programs of USDA, FDA, CFTC, and FCA. Details on each of the accounts, the funding level, and the Committee's justifications behind the funding levels are included in the report.

The Committee also has encouraged the consideration of grant and loan applications from various entities. The Committee expects the Department only to approve those applications judged meritorious when subjected to the established review process.

GOVERNMENT PERFORMANCE AND RESULTS ACT

Public Law 103-62, the Government Performance and Results Act [GPRA] of 1993, requires Federal agencies to develop succinct and precise strategic plans and annual performance plans that focus on results of funding decisions made by the Congress. Rather than simply providing details of activity levels, agencies will set outcome goals based on program activities and establish performance measures for use in management and budgeting. In an era of restricted and declining resources, it is paramount that agencies focus on the difference they make in citizens' lives.

The Committee supports the concepts of this law and intends to use the agencies' plans for funding purposes. The Committee considers GPRA to be a viable way to reduce Federal spending while achieving a more efficient and effective Government and will closely monitor compliance with this law. The Committee is fully committed to the success and outcome of GPRA requirements as envisioned by the Congress, the administration, and this Committee.

TITLE I—AGRICULTURAL PROGRAMS
 PRODUCTION, PROCESSING, AND MARKETING
 OFFICE OF THE SECRETARY

Appropriations, 1998	\$2,836,000
Budget estimate, 1999	2,941,000
Committee recommendation	2,836,000

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

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

COMMITTEE RECOMMENDATIONS

For the Office of the Secretary, the Committee recommends an appropriation of \$2,836,000. This amount is \$105,000 less than the budget request and the same as the 1998 appropriation.

Lower Mississippi Delta region.—On May 18, 1998, the President submitted a budget amendment (H. Doc. 105–255) to the Congress to transfer \$26,000,000 of the funds requested to be appropriated for the Department of Agriculture’s Rural Community Advancement Program to the Appalachian Regional Commission [ARC] to establish a Delta Region Economic Development Program to assist distressed counties in the region specifically identified by the Congress in Public Law 100–460, the Lower Mississippi Delta Development Act. While the Committee has long supported efforts to improve conditions in the Lower Mississippi Delta region, the Committee believes that the limited resources available would best be used to draw upon the strengths of existing programs, rather than to establish a new bureaucracy or involve the ARC in areas outside its original mission.

Many agencies of the Department of Agriculture currently have responsibilities in the Lower Mississippi Delta. The Committee includes a general provision in the bill providing the Secretary of Agriculture the authority to transfer up to \$26,000,000 of the total discretionary spending appropriated by the act for programs and activities of the Department of Agriculture for the benefit of the

Lower Mississippi Delta region, including programs and activities specifically identified by the Committee for the Delta but not included in the President's budget and/or funding provided for programs of the Department which may be directed to the Delta prior to any normal disbursement of program funding to regions or States. It is expected that the Secretary will notify the House and Senate Appropriations Committees prior to any transfer or allocation of funds in accordance with the requirements for the re-programming of funds contained in the act.

The Committee believes this redirection of funds best serves the shared intent of the Congress and the administration to improve conditions for the economically distressed counties in the Lower Mississippi Delta region. The Committee recognizes that the Department's rural development mission area may provide the primary direction for this effort, but it also should be stressed that there are programs in the research and education, conservation, food assistance, and trade areas that are equally important to the Delta. The Secretary is encouraged to work with other Federal departments and agencies toward a goal of Governmentwide attention to special needs of the region. Further, the Secretary should consult with local organizations such as the Lower Mississippi Delta Development Center, Inc., the Delta Council of Arkansas, the Delta Housing Development Center, and similar entities in the affected States in order to better respond to local needs in the region.

Cotton acreage reports.—The Committee expects the Secretary to utilize his authority under section 374(A) of the Agricultural Adjustment Act of 1938 to collect, assimilate, and make available to agencies and entities responsible for boll weevil eradication or other areawide pest control programs information concerning acreage planted to cotton or other crops.

Environmentally preferable products.—The Secretary is directed to work with the General Services Administration, the Department of Defense, the Environmental Protection Agency, and other appropriate agencies to maximize the purchases of environmentally preferable products, as defined by Executive Order 12873 on Federal acquisition, recycling and waste prevention. Such products are not only useful in improving the environment, but can, when the product contains a substantial amount of agri-based content, also open considerable markets for farmers.

The Department should actively participate in joint task forces and other multiagency entities in this area. It should actively work to properly define standards for agri-based content of products and work toward the development of such environmentally preferable products.

The triticeae crops.—The triticeae crops—wheat, barley, rye—are the foundation of human nutrition and of enormous economic importance to the United States and the world. Wheat, with its high protein content, is the single-most important source of plant protein in the human diet. In 1997, combined world production of wheat and barley totaled over 763 million metric tons, compared to world corn production of 582 million metric tons, and soybean production of about 150 million metric tons. Wheat and barley are also subject to the most competitive international trade practices of all agricultural products.

There is evidence the progress achieved in productivity, quality, and resistance to diseases and pests through traditional research and breeding programs is beginning to wane. Newer genetic technologies offer the promise to reverse this trend in the 21st century. However, the U.S. research system has not focused on the development of these technologies and their application to the triticeae crops.

The Committee encourages the Secretary to work to develop and implement an expedited plan for genome research on the triticeae crops for fiscal year 1999 in cooperation with the National Science Foundation.

USDA commodity purchases.—The Committee is concerned over the use of guidelines or procedures relating to small businesses which effectively prohibit many farmers who have joined together in cooperative marketing efforts from being eligible to participate in USDA commodity purchase programs. Such guidelines fail to recognize the unique characteristics of farmer-owned cooperatives, which are comprised of hundreds, and sometimes thousands, of individual small businesses. They also serve to penalize and discriminate against farmers who join together in cooperative self-help efforts, and eliminate a potentially significant market for their products. In a rapidly changing global marketplace, it is essential that farmers be able to join together in cooperative self-help efforts to improve their income, minimize their risk, and compete more effectively. Encouraging such efforts is consistent with long-standing public policy.

The Committee has included a general provision in the bill to require farmer-owned cooperatives' participation in USDA commodity purchase programs.

Food Quality Protection Act.—The Committee is aware of concerns about how the Food Quality Protection Act [FQPA] is being implemented. The Committee concurs with the direction set forth in the Vice President's memorandum of April 8, 1998, to the Secretary of Agriculture and the Administrator of the Environmental Protection Agency [EPA] setting forth clear principles to guide implementation of the FQPA. The Committee believes that the Department should fully carry out its responsibilities under this memorandum. To accomplish this, the Committee expects the Department to use the expertise and resources of its agencies, including but not limited to ERS, ARS, CSREES, AMS, and NASS, to participate with the EPA in the implementation of the FQPA. The Committee's intent is to ensure that FQPA decisions are based on sound science, and reliable, accurate, and widely accepted data which reflects the Nation's agricultural production, practices, and conditions.

The Committee expects the Secretary to report to the Committee within 90 days of the enactment of this act and annually thereafter actions taken by the Department to comply with and carry out the Vice President's directives.

EXECUTIVE OPERATIONS

Executive operations were established as a result of the reorganization of the Department to provide a support team for USDA policy officials and selected Departmentwide services. Activities

under the executive operations include the Office of the Chief Economist, the National Appeals Division, and the Office of Budget and Program Analysis.

CHIEF ECONOMIST

Appropriations, 1998	\$5,048,000
Budget estimate, 1999	5,823,000
Committee recommendation	5,048,000

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

COMMITTEE RECOMMENDATIONS

For the Office of the Chief Economist, the Committee recommends \$5,048,000. This amount is \$775,000 less than the budget request and the same as the 1998 appropriation.

COMMISSION ON 21ST CENTURY PRODUCTION AGRICULTURE

Appropriations, 1998 .....	.....
Budget estimate, 1999	\$350,000
Committee recommendation .....	.....

The Federal Agriculture Improvement and Reform [FAIR] Act of 1996 authorized the Commission on 21st Century Production Agriculture to conduct a comprehensive review and assessment of the success of production flexibility contracts in supporting the viability of U.S. farming, a review of the future of production agriculture, and the appropriate role of the Federal Government.

COMMITTEE RECOMMENDATIONS

The Committee does not recommend a separate appropriation for the Commission on 21st Century Production Agriculture. This is \$350,000 less than the budget request and the same as the fiscal year 1998 level. The Commission was funded for fiscal year 1998 through the Commodity Credit Corporation and additional funding for the Commission can be made available within the limitation on funds available to the Department for advisory committees, panels, commissions, and task forces. The Committee recommends a \$350,000 increase in the fiscal year 1999 limitation for this purpose.

NATIONAL APPEALS DIVISION

Appropriations, 1998	\$11,718,000
Budget estimate, 1999	13,297,000
Committee recommendation	11,718,000

The National Appeals Division conducts administrative hearings and reviews of adverse program decisions made by the Farm Service Agency, the Risk Management Agency, the Natural Resources

Conservation Service, the Rural Business-Cooperative Service, the Rural Housing Service, and the Rural Utilities Service.

COMMITTEE RECOMMENDATIONS

For the National Appeals Division, the Committee recommends \$11,718,000. This amount is \$1,579,000 less than the budget request and the same as the 1998 appropriation.

OFFICE OF BUDGET AND PROGRAM ANALYSIS

Appropriations, 1998	\$5,986,000
Budget estimate, 1999	6,045,000
Committee recommendation	5,986,000

The Office of Budget and Program Analysis provides direction and administration of the Department's budgetary functions including development, presentation, and execution of the budget; reviews program and legislative proposals for program, budget, and related implications; analyzes program and resource issues and alternatives, and prepares summaries of pertinent data to aid the Secretary and departmental policy officials and agency program managers in the decisionmaking process; provides departmentwide coordination for and participation in the presentation of budget-related matters to the committees of the Congress, the media, and interested public. The Office also provides departmentwide coordination of the preparation and processing of regulations and legislative programs and reports.

COMMITTEE RECOMMENDATIONS

For the Office of Budget and Program Analysis, the Committee recommends \$5,986,000. This amount is the same as the 1998 appropriation and \$59,000 less than the budget request.

OFFICE OF THE CHIEF INFORMATION OFFICER

Appropriations, 1998	\$4,773,000
Budget estimate, 1999	7,222,000
Committee recommendation	5,551,000

The Clinger-Cohen Act of 1996 required the establishment of a Chief Information Officer for major Federal agencies. The Office of the Chief Information Officer was established in August 1996, pursuant to the Clinger-Cohen Act of 1996, to provide policy guidance, leadership, coordination, and direction to the Department's information management and information technology investment activities in support of USDA program delivery. The Office provides long-range planning guidance, implements measures to ensure that technology investments are economical and effective, coordinates interagency information resources management projects, and implements standards to promote information exchange and technical interoperability. In addition, the Office of the Chief Information Officer is responsible for certain activities financed under the Department's working capital fund (7 U.S.C. 2235). The Office also provides telecommunication and automated data processing [ADP] services to USDA agencies through the National Information Technology Center with locations in Fort Collins, CO, and Kansas City, MO. Direct ADP operational services are also provided to the Office

of the General Counsel, Office of Communications, the Office of the Chief Financial Officer, and executive operations.

COMMITTEE RECOMMENDATIONS

The Committee recommends \$5,551,000 for the Office of the Chief Information Officer. This amount is \$1,671,000 less than the budget request and \$778,000 more than the 1998 appropriation. The amount provided reflects an additional \$778,000 for certain financial and automated data processing functions transferred from departmental administration in fiscal year 1998.

OFFICE OF THE CHIEF FINANCIAL OFFICER

Appropriations, 1998	\$4,283,000
Budget estimate, 1999	4,562,000
Committee recommendation	4,283,000

Under the Chief Financial Officers Act of 1990, the Chief Financial Officer is responsible for the continued direction and oversight of the Department's financial management operations and systems. The Office is also responsible for the management and operation of the National Finance Center. The Office also provides budget, accounting, and fiscal services to the Office of the Secretary, departmental staff offices, Office of the Chief Information Officer, Office of Communications, and executive operations.

COMMITTEE RECOMMENDATIONS

For the Office of the Chief Financial Officer, the Committee recommends \$4,283,000. This amount is \$279,000 less than the budget request and the same as the 1998 appropriation. The Committee includes language in the bill directing the Chief Financial Officer to actively market cross-servicing activities of the National Finance Center.

OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION

Appropriations, 1998	\$613,000
Budget estimate, 1999	636,000
Committee recommendation	613,000

The Office of the Assistant Secretary for Administration directs and coordinates the work of the departmental staff in carrying out the laws enacted by the Congress relating to real and personal property management, personnel management, equal opportunity and civil rights programs, and other general administrative functions. In addition, the Office of the Assistant Secretary for Administration is responsible for certain activities financed under the Department's working capital fund (7 U.S.C. 2235).

COMMITTEE RECOMMENDATIONS

For the Office of the Assistant Secretary for Administration, the Committee recommends \$613,000. This amount is the same as the 1998 level and \$23,000 less than the budget request.

AGRICULTURE BUILDINGS AND FACILITIES AND RENTAL PAYMENTS

Appropriations, 1998	\$131,085,000
Budget estimate, 1999 ¹	147,689,000
Committee recommendation	137,184,000

¹ Reflects revised budget amendment of June 8, 1998 (H. Doc. 105-270).

Rental payments.—Annual appropriations are made to finance the appropriated portion of the payments to the General Services Administration [GSA] for rental of space and for related services to all USDA agencies, except the Forest Service which is funded in another appropriations bill.

Agency budget estimates for rent are based on GSA's projection of what it will charge the Agency in a given budget year. GSA sets rates according to the market value of property or space occupied, and independent of any agency input. Rent receipts are placed in a fund used by GSA in the management of its real property operations. All Federal Government agencies utilizing Government-owned or leased property pay into this fund, which provides GSA with a pool of capital to support overall Government space needs. In effect, agencies are paying prevailing commercial rental rates in order to subsidize the inflated cost of new construction and newly leased space, and to provide for vacant space in GSA's inventory.

Building operations and maintenance.—On October 1, 1984, the General Services Administration [GSA] delegated the operations and maintenance function for the buildings in the D.C. complex to the Department. This activity provides departmental staff and support services to operate, maintain, and repair the buildings in the D.C. complex. GSA expanded the delegation to include two additional buildings on October 1, 1986. One building is the Government-owned warehouse for forms in Lanham, MD, and the other is a leased warehouse for the excess property operation located at 49 L Street SW, Washington, DC. GSA retains responsibility for major nonrecurring repairs.

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

COMMITTEE RECOMMENDATIONS

For U.S. Department of Agriculture buildings and facilities and payments for the rental of space and related services, the Committee recommends \$137,184,000. This amount is \$10,505,000 less than the budget request and \$6,099,000 more than the 1998 appropriation. Included in the Committee's recommendation is

\$108,057,000 for rental payments to the General Services Administration [GSA]; \$24,127,000 for building operations and maintenance; and \$5,000,000 for repairs, renovations, and construction.

The amount recommended includes the transfer in fiscal year 1998 of \$107,700 to the National Agricultural Statistics Service [NASS] for leases transferred to NASS by the General Services Administration. Due to budgetary constraints, the Committee is unable to recommend the additional \$10,505,000 requested for the second phase of the South Building modernization project.

HAZARDOUS WASTE MANAGEMENT

Appropriations, 1998	\$15,700,000
Budget estimate, 1999	15,700,000
Committee recommendation	15,700,000

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

COMMITTEE RECOMMENDATIONS

The Committee recommends \$15,700,000 for hazardous waste management. This amount is the same as the 1998 appropriation and the budget request.

DEPARTMENTAL ADMINISTRATION

Appropriations, 1998 ¹	\$29,231,000
Budget estimate, 1999	32,168,000
Committee recommendation	27,034,000

¹ Reflects enacted supplemental of \$2,000,000 (Public Law 105-174).

Departmental administration is comprised of activities that provide staff support to top policy officials and overall direction and coordination of administrative functions of the Department. These activities include departmentwide programs for human resource management, management improvement, occupational safety and health management, real and personal property management, procurement, contracting, motor vehicle and aircraft management, supply management, civil rights and equal opportunity, participation of small and disadvantaged businesses and socially disadvantaged farmers and ranchers in the Department's program activities, emergency preparedness, small and disadvantaged business utilization, and the regulatory hearing and administrative proceedings conducted by the administrative law judges, judicial officer, and Board of Contract Appeals.

Departmental administration is also responsible for representing USDA in the development of Governmentwide policies and initiatives; and analyzing the impact of Governmentwide trends and developing appropriate USDA principles, policies, and standards. In addition, departmental administration engages in strategic planning and evaluates programs to ensure USDA-wide compliance with applicable laws, rules, and regulations pertaining to adminis-

trative matters for the Secretary and general officers of the Department.

COMMITTEE RECOMMENDATIONS

For departmental administration, the Committee recommends an appropriation of \$27,034,000. This amount is \$2,197,000 less than the 1998 appropriation and \$5,134,000 less than the budget estimate.

The amount provided reflects a net decrease of \$2,697,000 resulting from the transfer in fiscal year 1998 of \$778,000 to the Office of the Chief Information Officer for certain functions associated with information technology; the transfer of \$2,475,000 in resources associated with EEO counselors to various USDA agencies due to the abolishment of the central dispute resolution function; and the transfer of \$556,000 and the 2501 program staff from the Natural Resources Conservation Service.

The Committee's recommendation includes the additional \$2,000,000 in supplemental funding provided for fiscal year 1998 to enable the Department to continue to resolve civil rights cases and complaints. Of the total amount provided, the Committee directs that no less than \$12,799,000 be used for civil rights enforcement activities, including continued funding of the investigative unit within the Office of Civil Rights. Of the funds included in this account for civil rights activities for fiscal year 1998, \$2,475,000 were transferred to agencies of the Department for EEO activities and are continued in the Committee's funding recommendations for those agencies for fiscal year 1999.

The Committee is also aware that the U.S. Office of Government Ethics has called upon the Department to establish and maintain an effective, adequately staffed, centralized ethics program at headquarters. This office is to establish unified systems consistent for ethics policies, ethics training and counseling programs, and to oversee and monitor the performance of component agency ethics programs. The Committee provides an increase of \$500,000 for the Department to carry out these recommendations.

OUTREACH FOR SOCIALLY DISADVANTAGED FARMERS

Appropriations, 1998 ¹	\$3,000,000
Budget estimate, 1999	10,000,000
Committee recommendation	3,000,000

¹Administration of the program was transferred to departmental administration from the Natural Resources Conservation Service beginning in fiscal year 1998, pursuant to the Department of Agriculture Reorganization Act of 1994.

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

COMMITTEE RECOMMENDATIONS

For grants for socially disadvantaged farmers the Committee recommends an appropriation of \$3,000,000. This amount is the same as the 1998 level and \$7,000,000 less than the budget request.

OFFICE OF THE ASSISTANT SECRETARY FOR CONGRESSIONAL
RELATIONS

Appropriations, 1998	\$3,668,000
Budget estimate, 1999	3,814,000
Committee recommendation	3,668,000

The Office of the Assistant Secretary for Congressional Relations maintains a liaison with the Congress and White House on legislative matters. It also provides for overall direction and coordination in the development and implementation of policies and procedures applicable to the Department's intra- and inter-governmental relations.

COMMITTEE RECOMMENDATIONS

For the Office of the Assistant Secretary for Congressional Relations, the Committee recommends an appropriation of \$3,668,000. This amount is the same as the 1998 level and \$146,000 less than the budget estimate.

The Committee provides that not less than \$2,241,000 shall be transferred to agencies funded by this act to support congressional relations' activities at the agency level. The table below indicates the specific amounts provided by the Committee for each agency, as compared to the fiscal year 1998 and budget request levels.

[In thousands of dollars]

	Fiscal year—		Committee recommenda- tion
	1998	1999 estimate	
Headquarters activities	957	994	957
Intergovernmental affairs	470	488	470
Subtotal	1,427	1,482	1,427
Agricultural Marketing Service	176	183	176
Agricultural Research Service	129	135	129
Animal and Plant Health Inspection Service	101	106	101
Cooperative State Research, Education, and Extension Service ...	120	126	120
Farm Service Agency	355	369	355
Food and Nutrition Service	270	280	270
Food Safety and Inspection Service	309	321	309
Foreign Agricultural Service	188	191	183
Natural Resources Conservation Service	148	154	148
Risk Management Agency		113	109
Rural Business-Cooperative Service	52	54	52
Rural Housing Service	251	153	147
Rural Utilities Service	142	147	142
Subtotal	2,241	2,332	2,241

[In thousands of dollars]

	Fiscal year—		Committee recommenda- tion
	1998	1999 estimate	
Total	3,668	3,814	3,668

OFFICE OF COMMUNICATIONS

Appropriations, 1998	\$8,138,000
Budget estimate, 1999	8,319,000
Committee recommendation	8,138,000

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

COMMITTEE RECOMMENDATIONS

For the Office of Communications, the Committee recommends an appropriation of \$8,138,000. This amount is the same as the 1998 appropriation and \$181,000 less than the budget request.

OFFICE OF THE INSPECTOR GENERAL

Appropriations, 1998	\$63,128,000
Budget estimate, 1999	87,689,000
Committee recommendation	63,128,000

The Office of the Inspector General was established October 12, 1978, by the Inspector General Act of 1978. This act expanded and provided specific authorities for the activities of the Office of the Inspector General which had previously been carried out under the general authorities of the Secretary of Agriculture.

The Office is administered by an inspector general who reports directly to the Secretary of Agriculture. Functions and responsibilities of this Office include direction and control of audit and investigative activities within the Department, formulation of audit and investigative policies and procedures regarding Department programs and operations, analysis and coordination of program-related audit and investigation activities performed by other Department agencies, and review of existing and proposed legislation and regulations regarding the impact such initiatives will have on the economy and efficiency of the Department’s programs and operations and the prevention and detection of fraud and abuse in such programs.

The activities of this Office are designed to assure compliance with existing laws, policies, regulations, and programs of the Department’s agencies, and to provide appropriate officials with the means for prompt corrective action where deviations have occurred. The scope of audit and investigative activities is large and includes administrative, program, and criminal matters. These activities are coordinated, when appropriate, with various audit and investiga-

tive agencies of the executive and legislative branches of the Government.

COMMITTEE RECOMMENDATIONS

For the Office of the Inspector General, the Committee recommends an appropriation of \$63,128,000. This is \$24,561,000 less than the budget request and the same as the 1998 appropriation.

The Committee regrets that, due to severe budgetary constraints, it is unable to provide the increased resources requested in the budget for a special law enforcement initiative to allow the Office of the Inspector General to crack down on fraud and abuse in the food stamp and other nutrition programs, rural rental housing, and disaster, health and safety programs requiring immediate response. The Committee notes the success of initiatives already undertaken by the office to identify and prosecute program violators and encourages the Office of the IG to enhance these efforts within available funds.

OFFICE OF THE GENERAL COUNSEL

Appropriations, 1998 ¹	\$28,759,000
Budget estimate, 1999	30,446,000
Committee recommendation	28,759,000

¹ Reflects supplemental of \$235,000 (Public Law 105-174).

The Office of the General Counsel, originally known as the Office of the Solicitor, was established in 1910 as the law office of the Department of Agriculture, and performs all of the legal work arising from the activities of the Department. The General Counsel represents the Department in administrative proceedings for the promulgation of rules and regulations having the force and effect of law and in quasi-judicial hearings held in connection with the administration of various programs and acts; and in proceedings before the Interstate Commerce Commission involving freight rates and practices relating to farm commodities, including appeals from and decisions of the Commission to the courts. Counsel serves as general counsel for the Commodity Credit Corporation and the Federal Crop Insurance Corporation and reviews criminal cases arising under the programs of the Department for referral to the Department of Justice.

COMMITTEE RECOMMENDATIONS

For the Office of the General Counsel, the Committee recommends an appropriation of \$28,759,000. This amount is \$1,687,000 less than the budget request and the same as the 1998 appropriation.

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

Appropriations, 1998	\$540,000
Budget estimate, 1999	560,000
Committee recommendation	540,000

The Office of the Under Secretary for Research, Education, and Economics provides direction and coordination in carrying out the laws enacted by the Congress for food and agricultural research,

education, extension, and economic and statistical information. The Office has oversight and management responsibilities for the Agricultural Research Service; Cooperative State Research, Education, and Extension Service; Economic Research Service; and National Agricultural Statistics Service.

COMMITTEE RECOMMENDATIONS

For the Office of the Under Secretary for Research, Education, and Economics, the Committee recommends an appropriation of \$540,000. This amount is \$20,000 less than the budget request and the same as the 1998 level.

The Committee is troubled by the recommendations for research and extension activities submitted in the President's budget. Production research, the foundation for our successes in agriculture, is unjustifiably targeted for significant reductions. The administration's decision to cut base formula funds for agriculture extension, research, and education, and to propose the termination of almost \$35,000,000 of important ongoing production-related research in the Agricultural Research Service is extremely disconcerting. This recommendation occurs at a time when trade deficits are at record levels; at a time when international markets for agricultural commodities are intensely competitive; at a time when world population growth is accelerating; and at a time when the United States must find innovative ways to increase or even maintain agricultural productivity as a result of changing environmental regulations.

The message given by the Committee during the recent budget hearings was quite clear—the research proposal of the Department was less than adequate, unacceptable, and would not stand. The ongoing agricultural production research funded through the ARS impacting farmers, ranchers, industry, and consumers recommended for termination includes such commodities as rice, cotton, wheat, sugarcane, soybeans, fruit, potatoes, peanuts, swine, beef, fish, vegetables, honeybees, forages, grasses, et cetera. The terminated projects would negate basic and applied research activities focusing on germplasm, pest management, biocontrol, cropping systems, lyme disease, animal health, weed research, biotechnology, new uses of agricultural commodities, soil and water conservation, and groundwater quality.

The Committee has reinstated these programs in its fiscal year 1999 recommendation to the extent that funding limitations permit. Production efficiency research is critical to the Department's program and vital to the American producer and consumer.

Furthermore, within its resource limitations, the Committee has recommended a 3-percent increase for the formula-funded base programs of extension, research and education activities at the land-grant universities, 1994 institutions, 1980 colleges and Tuskegee. This reaffirms the Committee's recognition of the centrality of these programs to the national support system for agriculture.

ECONOMIC RESEARCH SERVICE

Appropriations, 1998	\$71,604,000
Budget estimate, 1999	55,839,000
Committee recommendation	53,109,000

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

COMMITTEE RECOMMENDATIONS

For the Economic Research Service, the Committee recommends an appropriation of \$53,109,000. This amount is \$2,730,000 less than the budget request and \$18,495,000 less than the 1998 appropriation. The Committee assumes the decrease of \$18,495,000 proposed in the budget associated with the transfer of food stamp, child nutrition, and WIC program evaluations from ERS. Funding for these evaluation studies is provided through the Food and Nutrition Service [FNS].

The Committee understands that ERS has reduced the frequency of the publication of its commodity situation and outlook reports in order to concentrate personnel efforts on other research projects. Commodity and livestock groups have expressed concern over the agency's action, and the effect it will have on farmers who rely on information provided by these reports. Recognizing that farmers need reliable, unbiased, timely, and accurate information, the Committee suggests that ERS consult with affected organizations and strongly consider restoring the frequency of publication of commodity and outlook reports and updates, and devoting sufficient resources to make the reports timely and accurate. The Committee also encourages the Agency to resume publication of its annual report entitled "Cotton Ginning Charges, Harvesting Practices, and Selected Marketing Costs" and the monthly "Cottonseed Update."

Further, within available funds, the Committee encourages ERS through the Office of Energy to undertake a study of the Nation's fuel markets over the next decade and develop recommendations for consideration by the administration and the Congress on measures to further expand the use of ethanol and ETBE, and other biofuels in the Nation's transportation fuel markets.

NATIONAL AGRICULTURAL STATISTICS SERVICE

Appropriations, 1998	\$118,048,000
Budget estimate, 1999	107,190,000
Committee recommendation	103,964,000

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

The 1999 budget estimate includes funding for the census of agriculture which was transferred from the Department of Commerce to the Department of Agriculture in fiscal year 1997 to consolidate agricultural statistics programs. The census of agriculture is taken every 5 years and provides comprehensive data on the agricultural economy including: data on the number of farms, land use, production expenses, farm product values, value of land and buildings, farm size, and characteristics of farm operators. The census will provide national, State, and county data as well as selected data for Puerto Rico, Guam, and the United States Virgin Islands. Fiscal year 1999 is the fifth year of the 6-year funding cycle for the census. During this year, the quality and completeness of the census data will be analyzed, census data will be published, and follow-on surveys will be initiated.

COMMITTEE RECOMMENDATIONS

For the National Agricultural Statistics Service, the Committee recommends an appropriation of \$103,964,000. This amount is \$14,084,000 less than the 1998 appropriation and \$3,226,000 less than the budget estimate.

The Committee's recommendation includes \$23,599,000 for the census of agriculture. It also includes the transfer in fiscal year 1998 of \$107,700 for General Services Administration leases transferred to NASS from the "Agriculture buildings and facilities and rental payments" account, and assumes a decrease of \$13,328,000 for the census of agriculture as well as the savings identified in the budget from efficiencies gained from the transfer of the census of agriculture from the Department of Commerce to the Department of Agriculture. The Committee provides the additional \$600,000 requested in the budget for the agricultural economics and land ownership survey and the aquaculture statistics census.

AGRICULTURAL RESEARCH SERVICE

Appropriations, 1998 ¹	\$744,382,000
Budget estimate, 1999	776,828,000
Committee recommendation	767,921,000

¹ Reflects enacted rescission of \$223,000 (Public Law 105-174).

The Agricultural Research Service [ARS] is responsible for conducting basic, applied, and developmental research on: soil and water conservation, plant productivity, animal productivity, commodity conversion and delivery, human nutrition, and integration of agricultural systems. The research applies to a wide range of goals, commodities, natural resources, fields of science, and geographic, climatic, and environmental conditions.

ARS is also responsible for the National Agricultural Library which provides agricultural information and library services through traditional library functions and modern electronic dissemination to agencies of the USDA, public and private organizations, and individuals.

As the U.S. Department of Agriculture's in-house agricultural research unit, ARS has major responsibilities for conducting and leading the national agricultural research effort. It provides initiative and leadership in five areas: research on broad regional and

national problems, research to support Federal action and regulatory agencies, expertise to meet national emergencies, research support for international programs, and scientific resources to the executive branch and Congress.

The mission of ARS research is to develop new knowledge and technology which will ensure an abundance of high-quality agricultural commodities and products at reasonable prices to meet the increasing needs of an expanding economy and to provide for the continued improvement in the standard of living of all Americans. This mission focuses on the development of technical information and technical products which bear directly on the need to: (1) manage and use the Nation's soil, water, air, and climate resources, and improve the Nation's environment; (2) provide an adequate supply of agricultural products by observing practices that will maintain a permanent and effective agriculture; (3) improve the nutrition and well-being of the American people; (4) improve living in rural America; and (5) strengthen the Nation's balance of payments.

COMMITTEE RECOMMENDATIONS

For salaries and expenses of the Agricultural Research Service, the Committee recommends \$767,921,000. This is \$23,539,000 more than the 1998 level and \$8,907,000 less than the budget request. The amount provided includes the transfer in fiscal year 1998 of \$170,000 from departmental administration resulting from the abolishment of the central dispute resolution function and the return of EEO counselors to the individual agencies. The Committee's recommendation does not include the \$16,000 provided for fiscal year 1998 by the Department of State in support of the International Cooperative Administrative Support Services [ICASS] Program. The Committee expects that ICASS Program costs will continue to be funded by the Department of State for fiscal year 1999.

Of the increases requested in the budget, the Committee approves \$1,600,000 for food safety research, of which \$600,000 is for research identified in the budget to be conducted at the Clay Center, NE, and \$1,000,000 is to initiate cooperative research with the National Institute for Food Safety Engineering at Purdue University, IN, to develop and implement new technologies and systems to detect and prevent chemical and microbial food contaminants; \$3,000,000 for dietary research, of which \$1,000,000 is for research at each of the Houston, TX, and Little Rock, AR, locations, and \$250,000 is for each of the other ARS centers proposed to conduct this work; \$750,000 for the Everglades restoration; \$1,150,000 for integrated pest management [IPM] and areawide IPM, including \$250,000 for College Station, TX, \$250,000 for Beltsville, MD, \$250,000 for Stoneville, MS, and \$400,000 for Columbia, MO, for research proposed to be conducted in the budget; and \$6,750,000 for emerging diseases.

Of the amount provided for emerging diseases, \$3,000,000 is to increase support for the cooperative project designed to control fusarium head blight, generally known as scab, which continues as a major threat to the wheat and barley industries. This additional amount will strengthen the national program between ARS and the consortium of 12 land-grant universities in Kansas, Kentucky, Illinois, Indiana, Michigan, Minnesota, Missouri, Nebraska, New

York, North Dakota, Ohio, and South Dakota. Also included is \$750,000 for emerging infectious plant diseases, of which \$250,000 is for karnal bunt disease research to be conducted at Frederick, MD; \$250,000 is for sorghum ergot research to be conducted at College Station, TX; and \$250,000 is for research to develop the systematics and taxonomy of bunt and smut fungal pathogens to be conducted at Beltsville, MD. The remaining \$3,000,000 is for emerging exotic and domestic/zoonotic diseases of livestock for research work proposed in the budget, of which \$500,000 is to be conducted at Pullman, WA; \$500,000 at Laramie, WY; \$1,000,000 at the National Animal Disease Center, Ames, IA; \$500,000 at Beltsville, MD; and \$500,000 at Athens, GA.

The Committee does not concur with the budget recommendation to close ARS laboratories and worksites and continues funding at the fiscal year 1998 levels for the Mandan, ND; Prosser, WA; Orono, ME; and Brawley, CA, ARS locations.

The Committee recommendation includes \$5,623,700 of the savings from project terminations proposed in the budget, as well as savings from the 1-year cost of the USDA food survey of food consumption patterns by infants and children (-\$5,000,000) and National Academy of Science's food safety system study (-\$420,000) funded for fiscal year 1998. These savings are to be redirected to those research areas for which increased funding is provided by the Committee. The Committee does not restore funding for evaluation studies, as requested in the budget.

The Committee is concerned that funds provided by Congress for fiscal year 1998 research enhancements and continuations were not released until April 1998, three-quarters into the fiscal year. The Committee finds this delay inexcusable, and expects the agency in fiscal year 1999 to give more attention to the prompt implementation and allocation of funds for the purposes provided by Congress.

In complying with the Committee's directives, ARS is expected not to redirect support for programs from one State to another without prior notification to and approval by the House and Senate Committees on Appropriations in accordance with the reprogramming procedures specified in the act. Unless otherwise directed, the Agricultural Research Service shall implement appropriations by programs, projects, commodities, and activities as specified by the Appropriations Committees. Unspecified reductions necessary to carry out the provisions of this act are to be implemented in accordance with the definitions contained in the "Program, project, and activity" section of this report.

The Committee also includes language in the bill, as proposed in the budget, to facilitate land exchanges by allowing ARS to pay up to 25 percent of the value of land or interest transferred out of Federal ownership for the purpose of equalizing the value of the exchange; to grant easements at the Beltsville Agricultural Research Center, including for the construction of the Transgenic Animal Facility; and to make federally owned land and facilities available for special use and to allow fees to be charged, as authorized by law, and available for authorized use by the agency.

The Committee's recommendations with respect to specific areas of research are as follows:

Appalachian Fruit Research Station.—The Committee provides an increase of \$300,000 from the fiscal year 1998 level for the Appalachian Fruit Research Station. The Committee recognizes that this increase is necessary to advance the Federal Government's commitment to helping deciduous fruit growers in Appalachia, who are characteristically small, limited-resource operators, remain globally competitive, while at the same time achieving a safe and secure manufacturing system.

Appalachian Soil and Water Conservation Laboratory.—The Committee provides funding at the fiscal year 1998 level to continue agroforestry research on sustainable income opportunities from farm woodlands at the Appalachian Soil and Water Conservation Laboratory. The program emphasizes production of specialty crops yielding economic and environmental benefits.

Apple research.—The Committee expects ARS to increase its research on alternatives to pesticides and improving postharvest technologies for apples.

Aquaculture research.—The Committee recognizes the potential for ARS to develop an effective and economical program to utilize fish byproducts as an alternative protein source for animal feeds. Alaska is a world leader in fisheries and processing, and this research would directly impact animal production efficiency and reduce fish byproduct disposal costs. An increase of \$1,200,000 is provided to ARS to work in cooperation with the University of Alaska to develop this vital program.

Arctic germplasm.—The Committee provides an additional \$100,000 from the fiscal year 1998 level in support of the arctic germplasm repository in Palmer, AK. The work of the repository is critical to foster and sustain efficient productivity of forage, vegetables, and revegetation of agriculturally important areas of high latitudes in the Northern Hemisphere.

Areawide insect management.—The Committee is encouraged by the environmental and economic benefits of research performed at the Mid South Regional Research Center on areawide management of heliothis populations through integrated and biological methods. The Committee encourages the agency to continue this areawide management approach to address other major crop insect pest species.

Asian bird influenza.—The Committee is concerned about the recent outbreak of a lethal strain of avian influenza in Southeast Asia. Aquatic birds host a vast pool of flu viruses capable of future infection of man and animals. Asian bird flu represents a serious threat to humans of major proportions. Alaska is a natural route of Eurasian birds and the viruses they carry into the United States, giving rise to the potential for the spread of the disease into North America. Eurasian aquatic birds summer in Alaska. There is a great potential that North American birds will become exposed to these viruses. The Committee encourages ARS scientists at Athens, GA, to provide technical assistance and collaborate with other leading virologists and ornithologists to develop and assess baseline data on Eurasian birds as an influenza reservoir and their migration habits between Southeast Asia and North America and their breeding grounds in Alaska.

Barley research, Pullman, WA.—The Committee recognizes the important research conducted at the Pullman ARS unit on barley stripe rust. Barley stripe rust is a major threat to the Pacific Northwest barley production. The Committee maintains the fiscal year 1998 funding level for research on barley stripe rust.

Biological control research.—The Committee has been impressed by results of the various approaches which have been taken by the Mid South Regional Research Center in the area of biological controls of cotton insect pests. The economic and environmental benefits of this research could eventually reduce the vulnerability of crops to major insect pests and create alternatives to traditional crop protection methods. The Committee continues funding for this project at the fiscal year 1998 and budget request levels.

Biomedical materials in plants.—The Committee is interested in the results of recent investigations indicating the possibility of growing bioengineered vaccines in tobacco plants and other crops. Yields of biomedical products produced through tobacco are high, efficacious, and low cost to produce. Further research is needed to carry out studies on tobacco and other plants as a medium to produce vaccines and other biomedical products for the prevention of many human and animal diseases. This technology also has the potential to shift a great deal of tobacco production to a vehicle for preventing, curing, and treating viruses and cancers in place of smoking, chewing, or other current end uses. The Committee provides an increase of \$500,000 for ARS cooperative research with the Biotechnology Foundation, Inc., which has pioneered the concept of economical and effective bioengineered vaccines, antibodies, and enzymes through tobacco leaf tissue.

Biotechnology Research and Development Corporation.—The Committee expects the agency to continue its work on the Corporation's research at the same level as fiscal year 1998.

Center for Food Safety and Postharvest Technology.—The Committee is aware of the significance of the research currently underway relating to catfish products at the Mississippi Center for Food Safety and Postharvest Technology and supports the expansion of the program to include other foods.

Cereal crops research.—The Cereal Crops Research Unit [CCRU], at Madison, WI, is essential and indispensable to U.S. barley variety development efforts and is the only national facility with integrated research and service functions focusing on the quality evaluation capacity. The Committee provides an increase of \$300,000 from the fiscal year 1998 level to increase the quality evaluation capacity of the CCRU research program to characterize and regulate quality factors in oats and barley, including malting quality improvement.

Citrus tristeza.—The Committee recognizes that the citrus tristeza virus [CTV] is a serious threat to the U.S. citrus industry. CTV can cause citrus trees to die and/or cause reduced yield or the fruit to be so small as to be unmarketable. The Committee recommends continued funding at the fiscal year 1998 level for research on this devastating citrus disease.

Club wheat breeding.—The Committee provides continued funding at the fiscal year 1998 level for the ARS Pacific Northwest Club Wheat Breeding Program.

Cotton genetics.—The Committee recognizes the urgency to develop high-yielding cotton germplasm and continues support for the cotton genetics program at the Mid South Regional Research Center at the fiscal year 1998 level.

Cotton ginning laboratories.—The Committee is aware of work performed by the Mid South Region USDA Cotton Ginning Laboratory aimed at increasing the efficiency of the cotton gins, while enhancing the capacity to comply with air quality standards throughout the entire southeastern United States and provides \$250,000 from the fiscal year 1998 level for ginning research at the Mid South laboratory. The Committee continues funding at the fiscal year 1998 levels for ginning research at the Mesilla Park, NM, and Lubbock, TX, laboratories.

Cotton value-added/quality research.—U.S. agriculture's continued economic strength depends on efficient production and value-added technology. The Committee urges ARS to continue to place high priority on cotton textile processing research conducted at New Orleans, LA, to improve quality, reduce defects, and improve easy-care products. The Committee recommends funding at the budget request level for this research.

Endophyte.—For the center of excellence in endophyte/grass research operated cooperatively by the University of Missouri and the University of Arkansas, the Committee recommends continued funding at the fiscal year 1998 level. The purpose of this research is to enhance the sustainability of fescue-based beef production and to develop innovative applications of endophyte in improving stress resistance in other forage, turf, and grain crop species.

Fish disease research.—The Committee provides an additional \$750,000 from the fiscal year 1998 level to increase scientific support for research on preventing infectious diseases in warmwater fish carried out at the ARS Fish Disease and Parasite Research Laboratory in Auburn, AL.

Fish Farming Experiment Laboratory.—The Committee provides an increase of \$800,000 above the fiscal year 1998 level for the National Aquaculture Research Center, Stuttgart, AR.

The Committee acknowledges the importance of avoiding duplication in research being administered by the U.S. Department of Agriculture at various locations throughout the country. In order to ensure that duplication does not occur in the field of warmwater aquaculture research, the Stuttgart research facility should not engage in channel catfish research related to production systems, nutrition, water quality, genetics, disease diagnosis, or food processing which is ongoing at the National Warmwater Aquaculture Research Center at Stoneville, MS.

The Committee encourages all facilities to share research results to benefit and enhance the Nation's aquaculture industry.

Forage crops.—The Committee provides an increase of \$500,000 from the fiscal year 1998 level for a research agronomist and soil scientist to accelerate research on improved forage crops at the Southern Plains Range Research Station in Woodward, OK.

Formosan termite research.—The Committee continues funding at the fiscal year 1998 level for the ARS Southern Regional Research Center in New Orleans, LA, to coordinate efforts among local and Federal agencies, private industry, and universities to

further research and application activities in combating Formosan termites in the United States.

Fruit fly.—The Committee supports continued funding by ARS to provide \$296,000 for the University of Hawaii College of Tropical Agriculture and Human Resources to develop and implement a program to address control of the papaya ringspot virus, and \$296,000 to establish nematode resistance in commercial pineapple cultivars. The Committee views the nematode resistance and ringspot activities as supportive of a national agricultural research agenda and that of Hawaii.

The Committee continues funding at the fiscal year 1998 level of \$242,600 for the University of Hawaii College of Tropical Agriculture and Human Resources for collaborative work on developing and evaluating efficacious and nontoxic methods to control tephritid fruit flies.

Fruit research.—The Committee is aware of the very important work carried out on fruit research at Wenatchee and Yakima in the State of Washington. The Committee expects the Department to continue to give increased attention to the work carried out at these two facilities. The Committee provides funding at the budget request levels for the Yakima and Wenatchee ARS facilities.

Gardens Unit, National Arboretum.—The Committee provides an additional \$250,000 from the fiscal year 1998 level to increase staffing of the Gardens Unit at the U.S. National Arboretum.

Golden nematode.—The Committee is aware of the need to maintain a viable Golden Nematode Program both on a State and Federal level to maintain markets for the New York State potato, nursery, sod, and other root vegetable industries and to prevent the spread of this potentially devastating pest to other States. The Committee provides an increase of \$200,000 from the fiscal year 1998 level to expand ARS research in plant breeding, nematology, and activities involving seed production and extension.

Grain legume research.—The Committee acknowledges the importance of a grain legume genetics research position at Washington State University in Pullman, WA, and continues funding at the fiscal year 1998 level to support this position. This research will focus on approaches to increase surface crop residues and on methods to overcome disease and insect problems in grain legumes.

Grape horticulturist position, Prosser, WA.—The Committee acknowledges the importance of a horticulturist position specializing in grape production at the ARS station in Prosser, WA. The Committee recognizes that a research horticulturist is an important link to the research efforts conducted at the Northwest Center for Small Fruits Research Center at the ARS Corvallis, OR, station. The Committee believes that the position is important to address onsite production problems for Pacific Northwest grape growers. The Committee continues funding for the position and urges that more resources be placed on grape production research.

Grasshopper research.—The Committee provides \$750,000 for integrated pest management research on grasshopper control in the Delta Junction region of Alaska. ARS research employing biological control agents of grasshoppers can provide environmentally safe solutions to attack this insect pest of the State's major agricultural region.

Grazinglands research.—The Grazinglands Research Laboratory at the Fort Reno, OK, ARS Research Station is working on the development of pasture management systems to enhance productivity and water quality in the southern Great Plains. The Committee provides an additional \$250,000 from the fiscal year 1998 level to increase scientific support for this important research effort.

Hawaii Agriculture Research Center.—The Committee provides \$945,100, the same as the fiscal year 1998 level, for the Hawaii Agriculture Research Center. The Committee expects these funds to be administered as in the past and be used to maintain the competitiveness of U.S. sugarcane producers and to continue emphasis on supporting the expansion of new crops and products to complement sugarcane production in Hawaii.

Honey bee research.—The Committee is aware of the problem varroa mites are causing the U.S. beekeeping industry and provides an additional \$250,000 from the fiscal year 1998 level for the ARS Honey-Bee Breeding, Genetics and Physiology Laboratory at Baton Rouge, LA, to develop a long-term genetic solution to the varroa mite crisis.

Hops.—The Committee recognizes the outstanding increase in production of the U.S. hops industry. The industry has taken the lead in worldwide production, and Washington State produces 75 percent of the total U.S. crop. Included in the recommendation is \$491,000, the same as the fiscal year 1998 level, to continue hops research in the Pacific Northwest.

Integrated farming systems.—The Committee provides \$497,100, the same as the fiscal year 1998 and budget request levels, to continue integrated farming systems [IFS] research through the ARS Dairy Forage Center, Madison, WI. The Committee expects the Department to develop at least four additional multistakeholder, interdisciplinary IFS partnerships from within its national program on IFS by next year.

IR-4 project.—The Committee recognizes the importance of the IR-4 project, which produces research data for clearances for pest control products on minor food crops and ornamental commodities. The Committee recognizes the importance of this project and notes that it is especially critical at this time in order for the Department to meet the new requirements of the Food Quality Protection Act, and to fully implement its reduced risk pest management strategy for minor crops.

Kenaf.—The Committee recommends continued funding at the fiscal year 1998 level for the cooperative agreement between ARS and Mississippi State University to further kenaf research and product development efforts.

Manure handling and disposal.—Broiler growers presently face environmental constraints related to the safe handling of poultry manure. Phosphorus is the major component that limits land application as a fertilizer. The Committee provides an additional \$500,000 from the fiscal year 1998 level for the ARS Waste Management and Forage Research Unit and ARS Poultry Research Unit in Starkville, MS, to develop procedures for reducing the amount of phosphorous produced by each flock through nutrition and flock management, and to evaluate more efficient methods of handling and removal of litter.

Methyl bromide.—The Committee provides \$14,571,000 for research on a replacement for methyl bromide. The Committee expects the ARS to direct research to those facilities and universities that have expertise or ongoing programs in this area.

Minor crop pests.—The Committee provides continued funding at the fiscal year 1998 level of \$281,000 for the University of Hawaii College of Tropical Agriculture and Human Resources to develop environmentally safe methods to control pests and diseases in small-scale tropical and subtropical agricultural systems.

Mycoplasma research.—Mycoplasmiasis, a respiratory disease in laying birds, continues as a major problem for egg producers. Although laying hens are protected by variant mycoplasma vaccines that cause hens to test positive for mycoplasmosis, these vaccines are pathogenic for broilers and turkeys. An additional \$300,000 is provided from the fiscal year 1998 level for the ARS Poultry Research Laboratory at Starkville, MS, to initiate research on a vaccine that will insert protective genes into a nonpathogenic mycoplasma organism and be effective for laying birds, as well as safe for broilers and turkeys.

National Center for Agricultural Law Research and Information.—The Committee provides continued funding at the fiscal year 1998 level for the National Center for Agricultural Law Research and Information at the Leflar School of Law in Fayetteville, AR.

National Center for Cool and Cold Water Aquaculture.—The National Center for Cool and Cold Water Aquaculture [NCCCWA], now under construction on Federal lands at Leetown, Jefferson County, WV, will house the Nation's most advanced research programs aimed at efficiently producing flavorful, nutritious, cool, and cold water fish products. With U.S. imports of edible seafood products reaching a reported record level of \$7,100,000,000 to \$7,300,000,000 in 1997, resulting in a record seafood trade deficit of \$4,300,000,000 to \$4,600,000,000, the research of this Center offers tremendous economic opportunities for Appalachian farmers. In fiscal year 1998, the Congress provided \$250,000 to initiate the Center's program. These funds were used to recruit a highly qualified scientist to serve as the research leader and to oversee the design and construction of the facility. The Committee supports the development of the NCCCWA and continues the fiscal year 1998 level of funding for the Center.

National Sedimentation Laboratory.—The Committee continues funding at the fiscal year 1998 level for work now underway at the National Sedimentation Laboratory, and encourages the ARS to provide additional support to the laboratory in accordance with the approved cooperative agreement. The laboratory is to expand its studies on the use of acoustics to characterize soils, determine moisture content, and monitor crop growth. Further, it is encouraged to continue its close relationship with the National Center for Physical Acoustics in these research efforts and to develop additional applications.

The Committee also is aware of the work of the National Sedimentation Laboratory relative to the management systems evaluation area project. The laboratory is making a significant contribution to nonpoint research and the Committee encourages the con-

tinued partnership between this outstanding laboratory and this project.

National Warmwater Aquaculture Center.—The Committee increases support for the National Warmwater Aquaculture Center by \$1,200,000 from the fiscal year 1998 level with the objective of ensuring that the rapidly growing aquaculture industry has the availability of essential production technology.

Natural products.—The Committee provides an additional \$750,000 from the fiscal year 1998 level for the ARS to continue its cooperative agreement with the National Center for the Development of Natural Products for pharmaceutical research in support of research on natural products.

Nonchemical control of pecan insect pests.—Pecans grown in the United States are presently dependent on chemical pesticides to control insect and mite pests. Such pests will largely destroy the ability of the United States to produce pecans if key chemical pesticides become unavailable without effective and practical alternatives. The Committee provides \$250,000 to initiate research to develop nonchemical alternatives to the use of chemical pesticides to control fruit and foliar pests. This research is to be conducted at the ARS laboratory in Byron, GA.

Northern Grain Insects Research Laboratory.—The Northern Grain Insects Research Laboratory in Brookings, SD, conducts research critical to agriculture in the northern Great Plains. The Committee provides funding at the fiscal year 1998 level to ensure that the Laboratory's research projects in areas such as corn rootworm management; integrated soil, crop and pest management strategies for sustainable production; control tactics and decision models for integrated pest management; and pest population ecology and behavioral mechanisms in cropping systems continue to be fully funded.

Northwest Nursery Crops Research Center.—Nursery and greenhouse products rank third in the Nation and No. 1 in Oregon. As the public demands more and more plants and trees to help clean and cool the air, prevent water runoff and soil erosion, and improve water quality and conservation, the nursery industry is playing an expanding and significant environmental research role. The Committee encourages ARS to expand its support for the Northwest Nursery Crops Research Center's research program (Corvallis, OR) in these environmental areas. The Committee provides the fiscal year 1998 level of funding for the ARS Corvallis station.

Pasture and forage research.—The Committee provides continued funding at the fiscal year 1998 and budget request levels for the USDA-ARS Forage and Range Research Center at Logan, UT. This Center is carrying out important work on new forages for grazing to reduce harvesting and feed costs, and increase production on irrigated, intensively grazed pastures. The Center already has made significant contributions in its releases of new and improved forages for use on semiarid western rangelands and irrigated, salty pasture lands. Competitive perennial grasses released by the Center have been the only known way to economically rehabilitate rangelands that have been infested with weedy species and/or burned by wildfires.

Peach varieties research.—Further research is needed to develop additional peach varieties which are better able to withstand extreme weather conditions in the South. The Committee provides an additional \$190,000 from the fiscal year 1998 level to enhance peach varieties research carried out at the ARS laboratory in Byron, GA. This additional funding will allow for the staffing of a new position to manage the breeding program, the importation of foreign germplasm, and the development of molecular markers to facilitate the rapid identification and development of new varieties processing traits.

Peanut quality research.—The Committee provides \$1,000,000 for ARS peanut quality research. Peanut research is of extreme importance to the U.S. peanut industry's national and international market competitiveness. Current methodologies to determine peanut quality are inadequate to provide farmers and growers with the technologies necessary to ensure that the highest quality peanuts reach the marketplace at the least cost. Research to improve quality and processing will also provide inspectors with reliable methods to detect toxic molds from nontoxic strains developed through ARS research.

Pear thrips.—The Committee recognizes the value of collaboration between ARS and the University of Vermont to develop controls for pear thrips. Given the increased need for control of maple pests due to the tree damage inflicted by the January 1998 ice storm in the Northeast, the Committee provides an additional \$100,000 from the fiscal year 1998 level to enhance this important research program.

Plant diseases and genetics research, Columbia, MO.—The Committee recognizes the urgency to address plant diseases and link the existing soybean genomics and biotechnology programs to those existing for corn. The Committee provides an increase of \$700,000 from the fiscal year 1998 level for research conducted by the ARS at Columbia, MO, and directs the agency to fill the plant diseases position.

Poisonous plants.—Poisonous plants continue to cause a significant loss to livestock producers. The USDA-ARS Poisonous Plant Research Laboratory, Logan, UT, conducts research on livestock poisoning by plants in the United States and provides assistance to livestock producers to reduce losses. The Committee provides an additional \$200,000 from the fiscal year 1998 level to adequately support research currently conducted at the Poisonous Plant Research Laboratory.

Potato breeder position, Aberdeen, ID.—The Committee is aware that the current ARS potato breeder at the Aberdeen, ID, station plans to retire. The Committee provides an increase of \$150,000 from the fiscal year 1998 level to maintain this important position.

Potato late blight research.—The Committee is aware that late blight has become an ongoing problem in the Pacific Northwest. The Committee urges the Agricultural Research Service to continue its research at the Aberdeen, ID, ARS station to identify horticulturally acceptable clones with late blight resistance and both early generation and advanced clonal material that have a high level of resistance for use as crossing parents. The Committee urges the

ARS to work with the National Potato Council on how funds can best be used for research priorities.

Program continuations.—Including research programs specifically mentioned herein, the Committee directs the ARS to continue at the fiscal year 1998 level the following areas of research: Immunity and Diagnostics of Diseases and Parasites of Catfish, Auburn, AL; Plant Germplasm Conservation Research, Palmer, AK; Warmwater Foodfish Health Management Research, and Rice Genetics Research, Stuttgart, AR; Modification of Vegetable Oils as Raw Materials for Industrial Uses, In Vitro Creation and Commercialization of High Solids Tomatoes and High-Solids, Low Sugar Potatoes, and Biological Control of Yellow Starthistle and Other Non-indigenous Plant Pests in the Western USA, Albany, CA; Irrigated Desert Research II, Brawley, CA; Shallow Groundwater Management Systems for Arid Irrigated Areas, Fresno, CA; Floriculture, Washington, D.C.; Management of Termites as Urban Pests in the American Pacific, Gainesville, FL; Identification and Molecular Characterization of Agents Causing Poult Enteritis-Mortality Syndrome, Athens, GA; Aquaculture Productivity Research Phase II, Hilo, HI; Development and Use of Molecular Techniques in Oat Enhancement, and Conduct and Coordination of Small Grains Germplasm Enhancement and Evaluation, Aberdeen, ID; Soybean Diseases, Urbana, IL; Limits to Digestibility and Interactions Among Quality, Growth, and Persistence of Forages, and Genetic Characterization of Soybean Germplasm, Ames, IA; Protecting Hard Red Winter Wheat from Biotic Stress, Manhattan, KS; Improving Sugarcane Productivity by Conventional and Molecular Approaches to Genetic Development, Disease and Insect Control Mechanisms for the Enhancement of Sugarcane Germplasm Resistance, and Developing Integrated Weed Management Systems for Efficient and Sustainable Sugarcane Production, Houma, LA; Management of Termites as Urban Pests in the American Pacific, New Orleans, LA; Potato Production and Disease Management Systems for the Northeast, Orono, ME; Ecologically-Based Technologies for Controlling Ixodes Scapularis and Reducing Lyme Disease, Remote Sensing and Associated Technologies for Production Decisions, Comparative Textural Analysis of Fresh and Fresh-Cut Fruits and Vegetables, Enhancement of Strawberry, Blueberry, and Other Small Fruit Crops Through Molecular Approaches and Breeding, National Turfgrass Evaluation Program, Improving Quality of Fresh and Fresh-Cut Produce by Preventing Deterioration in Cold Storage, Production and Use of Rural/Urban Waste Compost Microbial Processes, Beltsville, MD; Germplasm Evaluation and Genetic Improvement of Oats and Wild Rice, St. Paul, MN; Biologically Active Plant Compounds for Insect Control, and Biologically Active Phytochemicals, Oxford, MS; Small Fruit Cultural and Genetic Research in the Mid South, Poplarville, MS; Agronomic and Economic Evaluation of Kenaf as a Field Crop in Mississippi, Development of High Yield, High Quality, and Environmentally Acceptable Cotton Production Systems, Catfish Genetics and Breeding Research, and Improve Production Efficiency in Aquaculture, Stoneville, MS; Strategies for Preventing Contamination of Surface Water by Pesticides, Nutrients and Sediments, and Genetic Mechanisms in Wheat, Columbia, MO; Optimizing Repro-

duction Efficiency to Enhance Profit and Sustainability of Range Beef Production, Miles City, MT; Metabolism and Nutritional Management of Prolific Sows During Gestation and Lactation, Clay Center, NE; Biology and Control of Virus Diseases of Sorghum, Lincoln, NE; Entomopathogenic Fungi as Biocontrol Agents of Pest Insects of Agricultural Crops, Ithaca, NY; Improved Peanut Product Quality and Bioactive Nutrient Composition with Genetic Resources, Factors Responsible for Control of the Textural Properties of Processed Sweetpotato Products, Evaluation of Temperate Legumes and Warm-Season Grass Mixtures in Sustainable Production Systems, Food Safety, Quality Improvement, and Waste Reduction in Brined and Fermented Vegetables, and Control of Fungal Pathogens of Small Grains, Raleigh, NC; Conservation Tillage-Diverse Crop Systems to Use Water and Nutrients Efficiently Protect Environment, Water Management Systems to Sustain Production and Environmental Quality in the Northern Great Plains, Improvement of Forage Germplasm for Conservation and Forage-Livestock Systems in the Northern Great Plains, and Development of Integrated and Sustainable Forage Livestock Systems for the Northern Great Plains, Mandan, ND; Development of Soybean Germplasm and Production Systems for High Yield and Drought Prone Environments, Wooster, OH; Improving Resistance of Peanut to Biological Stress Through Germplasm and Cultural Enhancement, Stillwater, OK; Characterization of Induced Cytokinin Changes in Wheat, Partitioning of Photosynthate as Influenced by Genotype, Mycorrhizae and Air Enriched CO₂, Residue Management and Grass Seed Cropping Systems for Sustainable Agriculture, Germplasm Enhancement and Cultivar Development of Blackberry, Strawberry, Blueberry and Raspberry, Hop Genetics and Breeding for Improved Flavor, Agronomic Performance, and Pest Resistance, and Effects of Beneficial Rhizosphere Microorganisms on Plant Growth and Health, Corvallis, OR; Value-Added Products from Fruit and Vegetable Processing Wastes, Wyndmoor, PA; Rice Germplasm and Variety Improvement in the Southern United States, Beaumont, TX; Harvesting and Ginning Technologies for Stripper Cotton, Lubbock, TX; Parasite Mite Control in Honey Bee Colonies Utilized in Honey Production and Crop Pollination, Weslaco, TX; Livestock Poisoning by Certain Heptotoxic and Neurotoxic Plants, Logan, UT; Intelligent Farm Management Systems, Viruses and Virus Resistance in Alfalfa Germplasm, Evaluation of Advanced Potato Clones for Resistance, Agronomic and Culinary Traits, Potato Production Systems to Conserve Resources and Reduce Pesticide Use, Bean and Pea Germplasm Enhancement for Disease and Environmental Stress Resistance, Herbicide Efficacy and Residues in Minor Acreage, and Potato Variety Development through Gene Transfer and Virology, Prosser, WA; Genetically Enhanced Wheat for Quality Productivity and Resistance to Biotic and Abiotic Stresses, Biochemical and Molecular Regulation of Preharvest Sprouting and Grain Dormancy in Wheat, Control of Foliar Diseases and Smuts of Wheat, Genetics and Germplasm Enhancement of Cool Season Food Legumes, Pullman, WA; Agroforestry Systems for the Appalachian Region, Beckley, WV; and Utilization of Waste and Byproducts from Aquaculture to Enhance Economic Sustainability, Leetown, WV.

Rice research.—The Committee provides an increase of \$1,400,000 from the fiscal year 1998 level for additional staffing at the Rice Germplasm Laboratory, Stuttgart, AR.

Root diseases of wheat and barley.—The ARS Root Disease and Biological Control Research Unit, Pullman, WA, carries out the only research program on root diseases in wheat and barley. The development of acceptable methods to control root diseases represents a tremendous challenge, especially since the traditional approaches to control these diseases are either no longer acceptable or unavailable. Major breakthroughs on the relationship between root diseases and no-till management systems have been made, and the research unit is poised to provide major innovations in root disease management needed to achieve the high yields possible with intensive cereals and conservation tillage systems. The Committee provides an additional \$500,000 from the fiscal year 1998 level for this research effort. Of the increased funds provided, \$125,000 is to be transferred to the Oregon State University Columbia Basin Agriculture Research Center, Pendleton, OR; \$75,000 is to be transferred to the University of Idaho Research and Extension Center, Kimberly, ID; and \$300,000 is to remain in the ARS program at Pullman, WA.

Rural geriatric nutrition research.—The Committee continues the fiscal year 1998 level of funding for the further development of a comprehensive nutrition outreach, treatment, and research program to assist the rural elderly population. The program will include a regional screening program to identify elderly individuals at nutritional risk and a coordinated case management initiative to deliver social, health, and nutritional interventions as appropriate. Geisinger Health System's Rural Geriatric Nutrition Center in Danville, PA, is the lead organization undertaking this initiative in collaboration with other universities.

Silverleaf whitefly.—The silverleaf whitefly, also known as the sweetpotato whitefly, continues to cause millions of dollars in crop damage in several States, including Hawaii. The Committee recommends participation by all affected States in the national collaborative effort to control this pest.

Small farms.—The Committee expects the ARS to continue its support for the South Central Family Farm Research Center at Booneville, AR. The Committee expects no less than the 1998 level for the continuation of agroforestry research in conjunction with work at the University of Missouri.

Small fruits research, Poplarville, MS.—The Committee recognizes the importance of the ARS Small Fruits Research Laboratory in Poplarville, MS, as the only small fruits research station in the South, to the development of the southern blueberry and other small farm industries, such as strawberries, blackberries, vegetables, and other horticultural crops adapted to the Gulf State region. The Committee provides a \$250,000 increase from the fiscal year 1998 level to strengthen scientific staffing at this research station.

Small grains geneticist, Aberdeen, ID.—The Committee is aware that the ARS is considering the elimination of the small grains geneticist position at the USDA-ARS Aberdeen, ID, station. The Committee provides the fiscal year 1998 funding level to continue research to improve both barley and oat genetic stocks. This re-

search provides direct benefits to the U.S. barley industry, including end users who rely on improved quality traits in malting barley.

Southern Insect Management Laboratory.—For several years, the Committee has urged the Department to participate in a joint research project with the National Center for Physical Acoustics [NCPA]. The Committee continues the fiscal year 1998 level of funding for a cooperative agreement with the National Center for Physical Acoustics to develop automated methods to monitor pest populations using advanced acoustic techniques; at least \$180,000 of this amount will be used to support the existing program at the NCPA.

Soybean research.—The Committee is aware of the important ARS-supported soybean genetics work being done and continues to strongly support ongoing research at Ames, IA, aimed at increasing the productivity and profitability of soybean production and processing. The Committee expects ARS to continue this research at not less than the fiscal year 1998 funding level.

Soybean and corn research.—The Committee is encouraged by research at the Mid South Regional Research Center aimed at increasing the productivity and profitability of soybeans. The Committee supports the continuation of these programs at current fiscal year 1998 levels and includes an additional \$750,000 to expand this research program to improve corn production, including increasing farm profits through the use of corn and soybeans in rotations with cotton. It is anticipated that the additional funds provided will allow for a soybean breeder, a corn production specialist, and a molecular geneticist to be added to the current staff.

Subterranean termite.—The Committee provides \$143,200 to continue funding for the termite research work in Hawaii at the fiscal year 1998 level to address the substantial damage to forests and structures caused by subterranean termites in Hawaii and in other States with control methods that do not endanger public health and safety.

Sugarcane biotechnology research.—The Committee recognizes the importance of furthering the science of molecular techniques in sugarcane. By mapping useful genes, transferring exotic genes into sugarcane germplasm, and improving selection techniques for sugarcane cultivars, much progress can be made to increase the efficiency and global competitiveness of the U.S. sugar industry. To continue the strong public/private relationship between ARS and the American Sugar Cane League and expand biotechnology at the work site of the ARS Southern Regional Research Center in Houma, LA, the Committee provides the fiscal year 1998 level of funding. The Committee expects ARS to collaborate with the American Sugar Cane League in efforts to coordinate research with other commodity-based biotechnology research and continue funding for this vital research.

Tropical aquaculture research.—The Committee provides \$1,603,300 to continue funding at the fiscal year 1998 level for the Aquaculture Productivity Research and the Requirements and Sources of Nutrients for Marine Shrimp projects in Hawaii to ensure continuation of the significant scientific and commercial con-

tributions offered by the Oceanic Institute and natural resource conditions found only in Hawaii.

Trout genome research.—The Committee provides \$1,000,000 to initiate trout genome research at the National Center for Cool and Cold Water Aquaculture. The Committee supports the recommendation by the National Animal Genome Research Program to map the genomes of rainbow trout, and recognizes the importance of this research in the ability to produce trout with economically desirable traits. The Committee expects a collaboration between the ARS and West Virginia University in developing a genetic map for trout.

Viticulture research.—The Committee expects the ARS to provide increased emphasis on its viticulture research. The grape and wine industry is one of the largest agriculture industries in the Nation. Additional resources would help address needs in rootstock development, variety/clone development, vine cold hardiness, and other research. This is necessary if the United States is to remain competitive in the dynamic international marketplace.

Water quality.—The Committee acknowledges the progress which has been made toward water quality objectives in conjunction with the pesticide application technology research currently conducted at the Mid South Regional Research Center. The ARS should continue this joint research initiative and expand it through the integrated pest management objectives outlined in the agency’s budget request.

Wind erosion research.—Each year, 5 million acres of U.S. cropland are moderately or severely damaged by wind erosion. Research carried out by the Wind Erosion Unit of the ARS Grain Production and Marketing Research Center in Manhattan, KS, will assume increased importance as erodible land originally contracted to reduce wind erosion is removed from the Conservation Reserve Program and replaced by land with environmental and wildlife benefits. The Committee provides an increase of \$300,000 from the fiscal year 1998 level to increase support for this research.

BUILDINGS AND FACILITIES

Appropriations, 1998 ¹	\$80,630,000
Budget estimate, 1999	35,900,000
Committee recommendation	45,430,000

¹Of this amount, the President canceled a total of \$1,500,000 in budget authority pursuant to Public Law 104-130 (H. Doc. 105-179).

The ARS “Buildings and facilities” account was established for the acquisition of land, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities of, or used by, the Agricultural Research Service. Routine construction or replacement items continue to be funded under the limitations contained in the regular account.

COMMITTEE RECOMMENDATIONS

For Agricultural Research Service buildings and facilities, the Committee recommends an appropriation of \$45,430,000. This is \$9,530,000 more than the budget estimate and \$35,200,000 less than the 1998 appropriation. The Committee’s specific recommendations are indicated in the following table:

ARS BUILDINGS AND FACILITIES

[In thousands of dollars]

State and facility	Fiscal year—		Committee recommenda- tion
	1998 enacted	1999 budget estimate	
California:			
U.S. Horticultural Crop and Water Management Research Laboratory, Parlier	23,400	.....	.....
Western Human Nutrition Research Center, Davis	5,200	.....	.....
Florida: Melaleuca research and quarantine facility, Fort Lauderdale .....	.....	4,000	.....
France: European Biological Control Laboratory, Montpellier	3,400	.....	.....
Hawaii: U.S. Pacific Basin Agricultural Research Center .....	.....	.....	4,500
Illinois: National Center for Agricultural Utilization Research, Peoria	8,000	8,400	8,400
Iowa: National Animal Disease Center, Ames .....	.....	5,600	5,600
Kansas: U.S. Grain Marketing Research Laboratory, Manhattan ..	.....	1,400	1,400
Louisiana: Southern Regional Research Center, New Orleans	1,100	6,000	6,000
Maryland:			
Beltsville Agricultural Research Center, Beltsville	3,200	2,500	2,500
National Agricultural Library, Beltsville	2,500	1,200	1,200
Michigan: Avian Disease Laboratory, East Lansing	1,800	.....	.....
Mississippi:			
Biocontrol and Insect Rearing Laboratory, Stoneville	1,900	.....	1,100
National Center for Natural Products, Oxford	7,000	.....	.....
Montana: Pest quarantine and integrated pest management facility, Sidney	606	.....	7,300
New Mexico: Jornada Range Research Station, Las Cruces	700	.....	.....
New York: Plum Island Animal Disease Center, Greenport	2,000	3,500	3,500
North Dakota: Human Nutrition Research Center, Grand Forks ...	4,400	.....	.....
Pennsylvania: Eastern Regional Research Center, Philadelphia ...	5,000	3,300	3,300
South Carolina: U.S. Vegetable Laboratory, Charleston	4,824	.....	.....
Utah: Poisonous Plant Laboratory, Logan	1,600	.....	630
West Virginia: National Center for Cool and Cold Water Aquaculture, Leetown	6,000	.....	.....
Total	2 80,630	35,900	45,430

¹ Budget authority canceled by the President pursuant to Public Law 104-130 (H. Doc. 105-179).

² Of this amount, total budget authority of \$1,500,000 was canceled by the President pursuant to Public Law 104-130 (H. Doc. 105-179).

The Committee provides funding for all projects requested in the budget, with the exception of the Melaleuca Research and Quarantine Facility. The Committee is aware of the importance of this facility to the restoration of the south Florida ecosystem. However, the U.S. Army Corps of Engineers has already funded and undertaken planning and design work for this facility and the Committee continues its view that providing construction funds to the Corps of Engineers would best ensure the continuity of design and construction of this project.

In addition, the Committee provides \$4,500,000 to commence necessary planning, site selection, and design of the main laboratory/office building and rearing facility of the U.S. Pacific Basin Agricultural Research Center in Hawaii. This national center will address regional problems of production of crops and commodities that can strengthen local economies, preparation of these products for local markets or for export, and sanitation issues to permit

transport. The Center shall define the role of the region in enhancing agriculture and agricultural trade in the entire United States, and also serve the State of Hawaii, Guam, American Samoa, the Commonwealth of the Northern Marianas, and the other U.S.-affiliated Pacific islands. The Committee strongly encourages the ARS to designate a Center director to oversee and manage this project, and to coordinate construction and operations activities with the proposed expansion of USDA Forest Service facilities in Hawaii to achieve economies of scale.

Funding also is provided by the Committee to construct the pest quarantine and integrated pest management facility in Sidney, MT. At the beginning of fiscal year 1996, ARS moved personnel and research from its Bozeman, MT, location to the ARS Northern Plains Soil and Water Research Center in Sidney. While this move has yielded long-term stability for the Sidney location and will achieve administrative savings over the long term, it created a need for a facility enhancement at Sidney. Planning and design work on the required pest quarantine facility, funded for fiscal year 1998, is scheduled to be completed by the first quarter of fiscal year 1999. Construction of the facility will accommodate the increased staff and research now being performed at the center.

Further, the Committee includes funding for planning and design work to construct replacement facilities for the ARS Poisonous Plant Laboratory in Logan, UT, and biocontrol and insect rearing facilities in Stoneville, MS. Funding for this work was provided for fiscal year 1998 (Public Law 105-86) and canceled by the President (H. Doc. 105-179).

The agricultural industry, particularly the range livestock industry, is critically dependent upon the productive research that has been conducted by the Poisonous Plant Laboratory. The Committee understands that the Laboratory, built over 40 years ago, is a metal building that has had four additions since that time to meet increasing laboratory and office space needs. The cobbling together of these additions has created a hodgepodge of inefficient heating and ventilation systems. Heating, ventilation, and air-conditioning currently is performed with four separate units and is noncompliant with OSHA standards. During the fiscal year 1999 budget process, USDA reaffirmed to the Committee that the existing facility has reached its useful life expectancy and is inadequate for state-of-the-art research, and that a new laboratory/office building is needed and recommended for the ARS Poisonous Plant Laboratory.

USDA indicated in a March 19, 1997, report to the Committee that one of the primary factors limiting the development of new biologically based technologies is ARS' inability to produce high quality and effective agents at economically acceptable costs. The report indicates that although ARS conducts insect rearing at nearly 30 locations, most of these operations are location specific and produce only a small number of insects for limited use. The three major facilities currently operated by ARS are located in Starkville and Stoneville, MS, and Honolulu, HI. These facilities are severely outdated and no longer capable of fulfilling current or anticipated research and development needs, including those in support of new areawide integrated pest management [IPM] technologies. The report calls for combining the two facilities in Mississippi into a new

laboratory and pilot plant capable of developing and supporting USDA insect rearing capabilities for nationwide IPM and biocontrol pest management programs, as well as constructing a new laboratory in Hawaii to address research needs for fruit fly control in fruit and vegetable crops. The Committee's recommendation includes funds to begin planning and design work for construction of both facilities.

COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE

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

RESEARCH AND EDUCATION ACTIVITIES

Appropriations, 1998 ¹	\$431,410,000
Budget estimate, 1999	412,589,000
Committee recommendation	434,782,000

¹Of this amount, the President canceled a total of \$440,000 in budget authority pursuant to Public Law 104-130 (H. Doc. 105-179).

The research and education programs administered by the Cooperative State Research, Education, and Extension Service [CSREES] are the U.S. Department of Agriculture's principle entrée to the university system of the United States to conduct agricultural research as authorized by the Hatch Act of 1887 (7 U.S.C. 361a-361i); the Cooperative Forestry Research Act of 1962 (16 U.S.C. 582a-7); Public Law 89-106, section (2) (7 U.S.C. 450i); and the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101 et seq.). Through these authorities, the U.S. Department of Agriculture participates with State and other sources of funding to encourage and assist the State institutions to conduct agricultural research through the State agricultural experiment stations of the 50 States, the District of Columbia, and the territories; by approved schools of forestry; by the 1890 land-grant institutions and Tuskegee University; by colleges of veterinary medicine; and by other eligible institutions.

The research and education programs participate in a nationwide system of agricultural research planning and coordination among the State institutions, U.S. Department of Agriculture, and the agricultural industry of America.

COMMITTEE RECOMMENDATIONS

For research and education activities of the Cooperative State Research, Education, and Extension Service, the Committee recommends \$434,782,000. This amount is \$3,372,000 more than the 1998 appropriation and \$22,193,000 more than the budget request.

The following table summarizes the Committee's recommendations for research and education activities of the Cooperative State Research, Education, and Extension Service:

COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE [CSREES]—RESEARCH AND EDUCATION ACTIVITIES

[In thousands of dollars]

	1998 appropriation	1999 budget	Committee recommen- dation
Payments under Hatch Act	168,734	153,672	173,796
Cooperative forestry research (McIntire-Stennis)	20,497	19,882	21,112
Payments to 1890 colleges and Tuskegee	27,735	27,735	28,567
Special research grants (Public Law 89-106):			
Aegilops cylindricum (Washington)	346	.....	346
Aflatoxin (Illinois)	113	.....	113
Agriculture-based industrial lubricants (Iowa)	200	.....	250
Agricultural diversification (Hawaii)	131	.....	131
Agricultural diversification—Red River Trade Corridor (Min- nesota, North Dakota)	250	.....	250
Alliance for food protection (Georgia, Nebraska)	300	.....	300
Alternative crops (North Dakota)	550	.....	550
Alternative marine and fresh water species (Mississippi)	308	.....	308
Alternative salmon products (Alaska)	400	.....	400
Animal science food safety consortium (Arkansas, Iowa, Kansas)	1,521	.....	1,521
Apple fireblight (Michigan, New York)	500	.....	500
Aquaculture (Illinois)	158	.....	.....
Aquaculture (Louisiana)	330	.....	330
Aquaculture (Mississippi)	642	.....	592
Aquaculture product and marketing development (West Vir- ginia)	600	.....	750
Babcock Institute (Wisconsin)	312	.....	407
Binational agricultural research and development fund (United States-Israel)	500	2,000	400
Biodiesel research (Missouri)	152	.....	152
Center for Animal Health and Productivity (Pennsylvania) ...	113	.....	.....
Center for Innovative Food Technology (Ohio)	281	.....	.....
Center for Rural Studies (Vermont)	32	.....	70
Chesapeake Bay aquaculture	370	.....	370
Citrus decay fungus (Arizona)	250	.....	.....
Coastal cultivars (Georgia)	250	.....	250
Competitiveness of agricultural products (Washington)	677	.....	677
Cool season legume research (Idaho, Washington)	329	.....	329
Contagious equine metritis (Kentucky) .....	.....	.....	250
Cotton research (Texas)	200	.....	200
Cranberry/blueberry disease and breeding (New Jersey)	220	.....	220
Dairy (Alaska)	¹ 250	.....	.....
Dairy and meat goat research (Texas)	63	.....	63
Delta rural revitalization (Mississippi)	148	.....	148
Drought mitigation (Nebraska)	200	.....	200
Ecosystems (Alabama)	500	.....	.....
Environmental research (New York)	486	.....	.....
Environmental risk factors—cancer (New York)	100	.....	100
Expanded wheat pasture (Oklahoma)	285	.....	285
Farm and rural business finance (Illinois)	87	.....	87
Feed barley for rangeland cattle (Montana)	600	.....	600
Floriculture (Hawaii)	250	.....	250

COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE [CSREES]—RESEARCH
AND EDUCATION ACTIVITIES—Continued

[In thousands of dollars]

	1998 appropriation	1999 budget	Committee recommen- dation
Food and Agriculture Policy Institute (Iowa, Missouri)	800	.....	800
Food irradiation (Iowa)	200	.....	200
Food Marketing Policy Center (Connecticut)	332	.....	332
Food Processing Center (Nebraska)	42	.....	42
Food quality (Alaska) .....	.....	.....	350
Food safety	2,000	5,000	2,000
Food Systems Research Group (Wisconsin)	221	.....	221
Forestry (Arkansas)	523	.....	523
Fruit and vegetable market analysis (Arizona, Missouri)	296	.....	.....
Generic commodity promotion research and evaluation (New York)	212	.....	.....
Global change	1,000	1,567	1,000
Global marketing support service (Arkansas)	127	.....	127
Grain sorghum (Kansas)	106	.....	106
Grass seed cropping systems for a sustainable agriculture (Washington, Oregon, Idaho)	423	.....	423
Human nutrition (Iowa)	473	.....	473
Human nutrition (Louisiana)	752	.....	752
Human nutrition (New York)	622	.....	.....
Hydroponic tomato production (Ohio)	¹ 140	.....	.....
Illinois-Missouri Alliance for Biotechnology	1,184	.....	1,184
Improved dairy management practices (Pennsylvania)	296	.....	.....
Improved fruit practices (Michigan)	445	.....	445
Institute for Food Science and Engineering (Arkansas)	950	.....	1,250
Integrated production systems (Oklahoma)	161	.....	161
International arid lands consortium	329	.....	329
International agricultural market structures and institutions (Kentucky) .....	.....	.....	250
Iowa biotechnology consortium	1,564	.....	1,564
Landscaping for water quality (Georgia)	300	.....	.....
Livestock and dairy policy (New York, Texas)	445	.....	.....
Lowbush blueberry research (Maine)	220	.....	220
Maple research (Vermont)	100	.....	100
Michigan biotechnology consortium	675	.....	675
Midwest Advanced Food Manufacturing Alliance	423	.....	423
Midwest agricultural products (Iowa)	592	.....	592
Milk safety (Pennsylvania)	268	.....	250
Minor use animal drugs (IR-4)	550	550	550
Molluscan shellfish (Oregon)	400	.....	400
Multicommodity research (Oregon)	364	.....	364
Multicropping strategies for aquaculture (Hawaii)	127	.....	127
National biological impact assessment	254	254	254
Nematode resistance genetic engineering (New Mexico)	127	.....	127
Nonfood uses of agricultural products (Nebraska)	64	.....	64
Oil resources from desert plants (New Mexico)	175	.....	175
Organic waste utilization (New Mexico)	100	.....	.....
Pasture and forage research (Utah)	225	.....	225
Peach tree short life (South Carolina)	162	.....	162
Pest control alternatives (South Carolina)	106	.....	106
Phytophthora root rot (New Mexico)	127	.....	127
Plant, drought, and disease resistance gene cataloging (New Mexico)	150	.....	150
Plant genome research (Ohio)	¹ 50	.....	.....

COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE [CSREES]—RESEARCH
AND EDUCATION ACTIVITIES—Continued

[In thousands of dollars]

	1998 appropriation	1999 budget	Committee recommen- dation
Postharvest rice straw (California)	300	.....	.....
Potato research	1,214	.....	1,214
Poultry carcass removal (Alabama)	300	.....	.....
Precision agriculture (Kentucky) .....	.....	.....	500
Precision agriculture (Mississippi)	600	.....	1,000
Preharvest food safety (Kansas)	212	.....	212
Preservation and processing research (Oklahoma)	226	.....	226
Rangeland ecosystems (New Mexico)	185	.....	185
Regionalized implications of farm programs (Missouri, Texas)	294	.....	294
Rice modeling (Arkansas)	296	.....	296
Rural development centers (Pennsylvania, Iowa, North Da- kota, Mississippi, Oregon)	423	423	423
Rural Policies Research Institute (Nebraska, Missouri, Iowa)	644	.....	644
Russian wheat aphid (Colorado)	200	.....	200
Seafood and aquaculture harvesting, processing, and mar- keting (Mississippi)	305	.....	305
Small fruit research (Oregon, Washington, Idaho)	212	.....	300
Southwest consortium for plant genetics and water re- sources	338	.....	338
Soybean cyst nematode (Missouri)	450	.....	450
STEEP III—water quality in Northwest	500	.....	500
Sustainable agriculture (Michigan)	445	.....	445
Sustainable agriculture and natural resources (Pennsyl- vania)	94	.....	95
Sustainable agriculture systems (Nebraska)	59	.....	59
Sustainable beef supply (Montana) .....	.....	.....	500
Sustainable pest management for dryland wheat (Mon- tana)	400	.....	400
Swine waste management (North Carolina)	300	.....	300
Tillage, silviculture, waste management (Louisiana)	212	.....	212
Tropical and subtropical	2,724	.....	2,724
Urban pests (Georgia)	64	.....	64
Vidalia onions (Georgia)	84	.....	84
Viticulture consortium (California, New York)	800	.....	800
Water conservation (Kansas)	79	.....	79
Water quality	2,461	2,757	2,461
Weed control (North Dakota)	423	.....	423
Wheat genetic research (Kansas)	261	.....	261
Wood utilization (Oregon, Mississippi, Minnesota, North Carolina, Maine, Michigan)	3,536	.....	3,536
Wool (Texas, Montana, Wyoming)	300	.....	300
Total, special research grants	² 51,495	12,551	49,200
Improved pest control:			
Critical issues	200	200	200
Integrated pest management	2,731	8,000	2,731
IR-4 minor crop pest management	8,990	10,711	8,990
Pesticide impact assessment	1,327	1,327	1,327
Expert IPM decision support system	177	260	177

COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE [CSREES]—RESEARCH
AND EDUCATION ACTIVITIES—Continued

[In thousands of dollars]

	1998 appropriation	1999 budget	Committee recommen- dation
Pest management alternatives programs	1,623	4,200	1,623
Total, improved pest control	15,048	24,698	15,048
Competitive research grants:			
Plant systems	37,000	47,000	37,000
Animal systems	24,000	29,500	24,000
Nutrition, food quality, and health	8,000	11,000	8,000
Natural resources and the environment	17,500	27,000	17,500
Processes and new products	6,800	9,000	6,800
Markets, trade, and policy	3,900	6,500	3,900
Total, competitive research grants	97,200	130,000	97,200
Animal health and disease (sec. 1433)	4,775	4,775	4,918
Critical Agricultural Materials Act	550		600
Aquaculture centers (sec. 1475)	4,000	3,880	4,000
Alternative crops	650		550
Sustainable agriculture	8,000	10,000	8,000
Capacity building grants	9,200	9,200	9,200
Payments to the 1994 institutions	1,450	1,450	1,494
Graduate fellowship grants	3,000	3,000	3,000
Institution challenge grants	4,350	4,350	4,350
Multicultural scholars program	1,000	1,000	1,000
Hispanic education partnership grants	2,500	2,500	2,500
Federal administration:			
Agriculture development in the American Pacific	564		564
Agriculture waste utilization (West Virginia)	360		360
Alternative fuels characterization laboratory (North Da- kota)	218		218
Animal waste management (Oklahoma)	250		250
Center for Agricultural and Rural Development (Iowa)	355		355
Center for Human Nutrition (Maryland)	150		
Center for North American Studies (Texas)	87		
Data information system	800	2,000	800
Geographic information system	844		844
Mariculture (North Carolina)	150		250
Mississippi Valley State University	583		583
National Center for Peanut Competitiveness (Georgia)	150		150
Office of Extramural Programs	310	310	310
Pay costs and FERS	900	1,236	900
Peer panels	350	350	
PM-10 study (California, Washington)	873		873
Shrimp aquaculture (Hawaii, Mississippi, Arizona, Massa- chusetts, South Carolina)	3,354		3,354
Water quality (Illinois)	492		
Water quality (North Dakota)	436		436
Total, Federal administration	11,226	3,896	10,247

COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE [CSREES]—RESEARCH AND EDUCATION ACTIVITIES—Continued

[In thousands of dollars]

	1998 appropriation	1999 budget	Committee recommen- dation
Total, Cooperative State Research, Education, and Extension Service, research and education activities	² 431,410	412,589	434,782

¹ Budget authority canceled by the President pursuant to Public Law 104-130 (H. Doc. 105-179).

² Of this amount, total budget authority of \$440,000 was canceled by the President pursuant to Public Law 104-130 (H. Doc. 105-179).

Special research grants under Public Law 89-106.—The Committee recommends a total of \$48,850,000. Specifics of individual grant allowances are included in the table above. Special items are discussed below.

Aquaculture (Stoneville).—Of the \$592,000 provided for this grant, the Committee recommends at least \$90,000 for continued studies of the use of acoustics in aquaculture research to be conducted by the National Center for Physical Acoustics in cooperation with the Mississippi Agriculture and Forestry Experiment Station [MAFES] and the Delta Research and Extension Center in Stoneville.

Potato research.—The Committee expects the Department to ensure that funds provided to CSREES for potato research are utilized for varietal development testing. Further, these funds are to be awarded competitively after review by the potato industry working group.

Water quality.—The Committee expects a continuation of funding at current levels for the Agricultural Systems for Environmental Quality Program and the Management Systems Evaluation Area Program.

Aquaculture centers.—The Committee provides \$4,000,000, the same as the 1998 level, to support the regional aquaculture centers.

Integrated pest management [IPM].—The Committee expects CSREES to develop guidelines for implementation of its IPM research and extension program to ensure broad-based representation that includes farmers, nonprofit organizations, agribusiness, universities, and public agencies. Program guidelines should ensure extensive farmer participation in merit review and other aspects of the program, and will emphasize on-farm research and demonstration, close coordination among States and between the research and extension functions, and explicit plans for communicating usable results to intended users and interested audiences.

Competitive research grants.—The Committee supports the National Research Initiative Competitive Grants Program [NRI] and recommends funding of \$97,200,000.

The Committee remains determined to see that quality research and enhanced human resources development in the agricultural and related sciences be a nationwide commitment. Therefore, the Committee continues its direction that 10 percent of the competitive research grant funds be used for a USDA experimental program to stimulate competitive research [USDA-EPSCoR].

Alternative crops.—The Committee recommends \$550,000 for alternative crop research to continue research on canola.

Sustainable agriculture.—The Committee recommends \$8,000,000 for sustainable agriculture, the same as the 1998 level.

Higher education.—The Committee recommends \$10,850,000 for higher education. The Committee provides \$3,000,000 for graduate fellowships; \$4,350,000 for challenge grants; \$1,000,000 for multicultural scholarships; and \$2,500,000 for grants for Hispanic education partnership grants. Of the funds appropriated for the Challenge Grants Program, the Committee directs that funds be made available to support the continued operation of the food and agricultural education information system [FAEIS].

Federal administration.—The Committee provides \$10,597,000 for Federal administration. The Committee's specific recommendations are reflected in the table above.

Geographic Information System Program.—The Committee recommends \$844,000, the same as the fiscal year 1998 level. The Committee recommends the same amounts as in 1998 for each of the participating entities in Georgia, the Chesapeake Bay, Arkansas, New Mexico, North Dakota, Washington, and Wisconsin. Also, it is expected that program management costs will be kept to a minimum and any remaining funds will be distributed to the sites.

NATIVE AMERICAN INSTITUTIONS ENDOWMENT FUND

Appropriations, 1998	(\$4,600,000)
Budget estimate, 1999	(4,600,000)
Committee recommendation	(4,600,000)

The Native American Institutions Endowment Fund authorized by Public Law 103-382 provides an endowment for the 1994 land-grant institutions (29 tribally controlled colleges). This program will enhance educational opportunity for Native Americans by building educational capacity at these institutions in the areas of student recruitment and retention, curricula development, faculty preparation, instruction delivery systems, and scientific instrumentation for teaching. On the termination of each fiscal year, the Secretary shall withdraw the income from the endowment fund for the fiscal year, and after making adjustments for the cost of administering the endowment fund, distribute the adjusted income as follows: 60 percent of the adjusted income from these funds shall be distributed among the 1994 land-grant institutions on a pro rata basis, the proportionate share being based on the Indian student count; and 40 percent of the adjusted income shall be distributed in equal shares to the 1994 land-grant institutions.

COMMITTEE RECOMMENDATIONS

For the Native American Institutions Endowment Fund, the Committee recommends \$4,600,000. This is the same as the budget request and the 1998 level.

EXTENSION ACTIVITIES

Appropriations, 1998	\$423,376,000
Budget estimate, 1999	418,651,000
Committee recommendation	432,181,000

Cooperative extension work was established by the Smith-Lever Act of May 8, 1914. Legislation authorizes the Department of Agriculture to provide, through the land-grant colleges, cooperative extension work that consists of the development of practical applications of research knowledge and the giving of instruction and practical demonstrations of existing or improved practices or technologies in agriculture, uses of solar energy with respect to agriculture, home economics, related subjects, and to encourage the application of such information by demonstrations, publications, through 4-H clubs, and other means to persons not in attendance or resident at the colleges.

To fulfill the requirements of the Smith-Lever Act, State and county extension offices in each State, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Marianas, and Micronesia conduct educational programs to improve American agriculture and strengthen the Nation's families and communities.

COMMITTEE RECOMMENDATIONS

For extension activities of the Cooperative State Research, Education, and Extension Service, the Committee recommends an appropriation of \$432,181,000. This amount is \$8,805,000 more than the amount provided for 1998 and \$13,530,000 more than the budget estimate.

The following table summarizes the Committee's recommendations for extension activities:

EXTENSION ACTIVITIES—FISCAL YEAR 1999 CONGRESSIONAL ACTION

[In thousands of dollars]

	Fiscal year 1998 enacted	Fiscal year 1999 budget	Committee recommendation
Smith-Lever sections 3(b) and 3(c)	268,493	257,753	276,548
Smith-Lever section 3(d):			
Farm safety	2,855	.....	2,855
Food and nutrition education	58,695	56,347	58,695
Food safety	2,365	7,365	2,365
Indian reservation agents	1,672	5,000	1,756
Pest management	10,783	15,000	10,783
Pesticide applicator training .....	.....	1,500	.....
Pesticide impact assessment	3,214	3,313	3,214
Rural development centers	908	908	908
Sustainable agriculture	3,309	3,309	3,309
Water quality	9,061	9,061	9,061
Youth at risk	9,554	10,000	9,554
Renewable Resources Extension Act	3,192	3,192	3,192
1890 colleges and Tuskegee	25,090	25,090	25,843
1890's facilities grants	7,549	12,000	8,304
Agricultural telecommunications	900	.....	900
Rural health and safety education	2,628	.....	2,628
Extension services at the 1994 institutions	2,000	3,500	2,060
Subtotal	412,268	413,338	421,975
Federal administration and special grants:			
General administration	4,995	5,313	4,995

EXTENSION ACTIVITIES—FISCAL YEAR 1999 CONGRESSIONAL ACTION—Continued

[In thousands of dollars]

	Fiscal year 1998 enacted	Fiscal year 1999 budget	Committee recommendation
Beef producers improvement (Arkansas)	197	.....	197
Delta Teachers Academy	3,500	.....	3,500
Extension specialist (Arkansas)	99	.....	99
Extension specialist (Mississippi)	50	.....	100
Income enhancement demonstration (Ohio)	246	.....	.....
Integrated cow/calf management (Iowa)	300	.....	250
National Center for Agriculture Safety (Iowa)	195	.....	225
Pilot technology project (Wisconsin)	163	.....	.....
Pilot technology transfer (Oklahoma and Mississippi)	326	.....	.....
Range improvement (New Mexico)	197	.....	197
Rural development (New Mexico)	247	.....	247
Rural development (Oklahoma)	150	.....	150
Rural rehabilitation (Georgia)	246	.....	246
Wood biomass as an alternative farm product (New York)	197	.....	.....
Subtotal, Federal administration	11,108	5,313	10,206
Total, extension activities	423,376	418,651	432,181

Farm safety.—Of the funds recommended for farm safety, the Committee includes \$1,910,000 for the AgrAbility project being carried out in cooperation with the National Easter Seal Society.

Pest management.—Included in the amount provided by the Committee for pest management Smith-Lever 3(d) funds is continued funding at the fiscal year 1998 level for potato late blight control, including \$400,000 for early disease identification, comprehensive composting for cull disposal, and late blight research activities in Maine.

Rural health and safety.—The Committee recommends \$2,628,000, the same as the fiscal year 1998 level, for rural health and safety education. Included in this amount is \$2,150,000 for the ongoing rural health program in Mississippi to train health care professionals to serve in rural areas, and \$478,000 for the ongoing rural health and outreach initiative in Louisiana.

OFFICE OF ASSISTANT SECRETARY FOR MARKETING AND
REGULATORY PROGRAMS

Appropriations, 1998	\$618,000
Budget estimate, 1999	642,000
Committee recommendation	618,000

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

tural Marketing Service; and Grain Inspection, Packers and Stockyards Administration.

COMMITTEE RECOMMENDATIONS

For the Office of the Assistant Secretary for Marketing and Regulatory Programs, the Committee recommends an appropriation of \$618,000. This is the same as the 1998 level and \$24,000 less than the budget request.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE
SALARIES AND EXPENSES

	Appropriations	User fees	Total, APHIS appropriations
Appropriations, 1998	¹ \$337,932,000	² (\$88,000,000)	¹ (\$425,932,000)
Budget estimate, 1999 ³	317,752,000	² (100,000,000)	(417,752,000)
Committee recommendation	329,473,000	² (95,000,000)	(424,473,000)

¹ Reflects enacted rescission of \$350,000 (Public Law 105-174).

² Does not include additional resources from the Federal Agriculture Improvement and Reform [FAIR] Act of 1996 direct appropriation.

³ The budget assumes enactment of new user fees (\$9,935,000).

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

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

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

Plant and animal health monitoring.—The Agency conducts programs to assess animal and plant health and to detect endemic and exotic diseases and pests.

Pest and disease management programs.—The Agency carries out programs to control and eradicate pest infestations and animal diseases that threaten the United States; reduce agricultural losses caused by predatory animals, birds, and rodents; provide technical assistance to other cooperators such as States, counties, farmer or rancher groups, and foundations; and ensure compliance with interstate movement and other disease control regulations within the jurisdiction of the Agency.

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

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

COMMITTEE RECOMMENDATIONS

For salaries and expenses of the Animal and Plant Health Inspection Service, the Committee recommends total funding of \$424,473,000. This is \$1,459,000 less than the 1998 appropriation and \$6,721,000 more than the budget request. The amount provided includes the transfer in fiscal year 1998 of \$151,000 from departmental administration resulting from the abolishment of the central dispute resolution function and the return of EEO counselors to the individual agencies. The Committee's recommendation does not include the \$909,000 provided for fiscal year 1998 by the Department of State in support of the International Cooperative Administrative Support Service [ICASS] Program. The Committee expects that ICASS Program costs will continue to be funded by the Department of State for fiscal year 1999. Further the Committee does not assume the \$9,935,000 in total savings from new user fees proposed in the budget.

The following table reflects the Committee's specific recommendations for the Animal and Plant Health Inspection Service:

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

[In thousands of dollars]

	Fiscal year 1998 enacted	Fiscal year 1999 budget request	Committee rec- ommendation
Pest and disease exclusion:			
Agricultural quarantine inspection	26,747	30,648	28,747
User fees	88,000	100,000	95,000
Subtotal, agricultural quarantine inspection	(114,747)	(130,648)	(123,747)
Cattle ticks	4,627	4,852	4,627
Foot-and-mouth disease	3,803	3,846	3,803
Sanitary/phytosanitary standards:			
Import-export inspection	6,815	7,263	6,815
International programs	6,630	8,243	6,630
Fruit fly exclusion and detection	20,970	22,322	20,970
Screwworm	31,713	30,623	30,301
Tropical bont tick	444	414	407
Subtotal, pest and disease exclusion	189,749	208,211	197,300
Plant and animal health monitoring:			
Animal health monitoring and surveillance	61,464	65,017	61,764
Animal and plant health regulatory enforcement	5,855	6,036	5,855

ANIMAL AND PLANT HEALTH INSPECTION SERVICE—Continued

[In thousands of dollars]

	Fiscal year 1998 enacted	Fiscal year 1999 budget request	Committee rec- ommendation
Pest detection	6,302	6,685	6,302
Subtotal, plant and animal health monitoring	73,621	77,738	73,921
Pest and disease management programs:			
Aquaculture	567	583	567
Biological control	6,275	8,467	8,160
Boll weevil	16,209	4,090	16,209
Brucellosis eradication	19,818	11,654	11,864
Golden nematode	435	419	435
Gypsy moth	4,366	4,702	4,366
Imported fire ant	1,000	.....	1,000
Miscellaneous plant diseases	1,516	1,461	1,410
Noxious weeds	454	382	424
Pink bollworm	1,048	.....	1,048
Pseudorabies	4,481	4,567	4,481
Scrapie	2,931	3,199	2,931
Sweetpotato whitefly	1,877	.....	.....
Tuberculosis	4,920	5,012	4,920
Wildlife services operations	28,487	26,051	28,797
Witchweed	1,638	1,546	1,506
Subtotal, pest and disease management	96,022	72,133	88,118
Animal care:			
Animal welfare	9,175	6,374	9,175
Horse protection	353	361	353
Subtotal, animal care	9,528	6,735	9,528
Scientific and technical services:			
Biotechnology/environmental protection	8,132	7,393	8,132
Integrated systems acquisition	3,500	3,696	3,500
Plant methods development laboratories	5,048	4,891	4,693
Veterinary biologics	10,345	7,098	10,345
Veterinary diagnostics	15,622	16,065	15,622
Wildlife services methods development	10,215	9,687	10,215
Subtotal, scientific and technical services	52,862	48,830	52,507
Contingency fund	¹ 4,150	4,105	3,099
Total, salaries and expenses	425,932	417,752	424,473
Recap:			
Appropriated	¹ 337,932	317,752	329,473
Agricultural quarantine inspection user fees	² 88,000	² 100,000	² 95,000

¹ Reflects enacted rescission of \$350,000 (Public Law 105–174).² Does not include additional resources from the Federal Agricultural Improvement and Reform [FAIR] Act of 1996 direct appropriation.

Agricultural quarantine inspection [AQI].—The Federal Agriculture Improvement and Reform [FAIR] Act (Public Law 104–127) makes amounts in excess of \$100,000,000 in the AQI user fee ac-

count directly available for program operations. Amounts collected in the user fee account up to \$100,000,000 are subject to appropriation. The Committee has provided \$95,000,000 from the AQI user fee account. The Department has estimated that an additional \$43,500,000 will be collected and available as provided in the FAIR Act (Public Law 104–127).

The Committee urges the Department actively to seek procedural and/or treatment methods that allow shipment of untreated Hawaiian-grown fruit to cold-weather States during winter months without jeopardizing pest introductions to mainland agriculture.

The Committee continues its interest in protecting domestic agriculture in the continental United States from the introduction of alien pests while not disrupting tourist traffic in Hawaii. From within the available funds, the Committee directs the agency to provide not less than the fiscal year 1998 level of funding for sufficient staff-year equivalents of agricultural quarantine inspectors, operating funds, and inspection equipment to ensure timely and nondisruptive preclearance inspection services at Hawaii's direct departure and interline airports.

The Committee also recognizes the need for cost-effective approaches to preclearance baggage inspection at Hawaii's direct departure and interline airports. The Committee directs the agency to test and evaluate new inspection technologies and other methods and hiring arrangements for conducting these inspections at Hawaii airports. The agency is further instructed to report to the Committee on progress made with these activities by January 30, 1999.

Plant protection and quarantine.—The Committee directs the agency to fill vacancies at the Gulfport office once the Southeast Regional Office of the U.S. Department of Agriculture Plant Protection and Quarantine is transferred to the eastern hub.

Animal health monitoring and surveillance.—The Committee intends that \$500,000 be used by APHIS to continue the project to develop a reliable livestock identification and tracking system to monitor, control, eradicate animal diseases, and enhance the safety of the Nation's meat supply.

The Committee provides funding at the fiscal year 1998 level for enforcement of the Commercial Transportation of Equine for Slaughter Act.

The Committee also provides \$300,000 for the assessment of the economic threat posed by a newly described contagious equine metritis-like bacterium [CEM] for the U.S. horse industry.

The Committee is encouraged by the agency's actions on the national poultry improvement plan [NPIP] and continues funding at the fiscal year 1998 level for this purpose.

Biological control.—The silverleaf whitefly, also known as the sweetpotato whitefly, line item is incorporated into the biocontrol line item, as proposed in the budget. Funding for the silverleaf program is continued at the fiscal year 1998 level.

The Committee is concerned about the serious threat to pastures and watersheds resulting from the introduction of alien weed pests, such as gorse and miconia, into Hawaii. The Committee directs APHIS to work with the Hawaii Department of Agriculture and the Natural Resources Conservation Service [NRCS] to develop an inte-

grated approach, including environmentally safe biological controls for eradicating these pests, and to provide funds as necessary.

Boll weevil.—The Committee recognizes that referenda have been passed by cotton producers in the Mesilla Valley and in Luna County in the State of New Mexico to create boll weevil control districts. The Committee encourages APHIS to continue to provide monitoring and technical assistance as needed for cotton boll weevil detection and eradication in New Mexico.

The Committee provides the fiscal year 1998 funding level to the agency to continue the geographic information system development so that the economic and entomological efficiency of the boll weevil eradication program can continue to improve. The technology developed through this system will be transferred to those cotton production regions as the program expands, reducing overall program costs.

Brucellosis eradication.—The Committee directs the agency to work in cooperation with the State of Montana to protect the State's brucellosis-free status. For the operation of the bison quarantine facility and all operations associated with the facility and the testing of bison which have left Yellowstone National Park, the Committee provides \$500,000.

The Committee encourages the agency to provide sufficient resources to safeguard livestock, help control diseases in wildlife, and minimize the impact on intrastate and interstate movement of livestock in the Idaho, Wyoming, and Montana portions of the greater Yellowstone area by performing brucellosis inoculations.

Imported fire ants.—The Committee provides the fiscal year 1998 funding level to continue the work that is being conducted at the University of Arkansas at Monticello on imported fire ants and to coordinate such activities with the cooperative extension abatement program.

Noxious weeds.—The Committee continues the demonstration project on kudzu at the fiscal year 1998 funding level.

The Committee encourages the agency to continue working with the State of Texas regarding *robanche ramosa*.

Wildlife services operations.—Funding at the fiscal year 1998 level is provided to continue cattail management and blackbird control efforts in North Dakota, South Dakota, and Louisiana.

The Committee notes the important and unique features of State and local cooperator activities in the implementation of wildlife services operations and disagrees with the Department's recommendation to impose higher cost share requirements on cooperating entities. The Committee encourages continued cost sharing of control activities to the maximum extent possible in all States.

The Committee provides funding at the fiscal year 1998 level for the cooperative agreement with the Hawaii Agriculture Research Center, formerly known as the Hawaiian Sugar Planters' Association, for rodent control in sugarcane and macadamia nut crops.

Given the threat to the region from introduced animal pests, the Committee supports increased onsite coordination of prevention and control activities in Hawaii and the American Pacific and provides \$300,000 to establish and operate a wildlife services office in Hawaii.

The Committee provides \$400,000 and includes language in the bill to require the Secretary to prevent the inadvertent introduction of brown tree snakes into Hawaii and other parts of the United States.

The Committee provides an increase of \$175,000 for coyote and wolf control programs for livestock operators in Montana. Due to the reintroduction of the wolf and reports required by the wolf program, the State of Montana has suffered financially in its operations account for wildlife services.

The Committee expects the Department to maintain the animal damage control office in Vermont at the fiscal year 1998 level.

The Committee is concerned about the spread of raccoon rabies in the Northeast (Ohio, Vermont, and New York) and directs the agency to continue the elimination of the spread of rabies in this area at the level of \$800,000, the same as fiscal year 1998.

The Committee encourages the Department to initiate an evaluation of fish-eating birds to determine and quantify the impacts of population management strategies, including roost dispersal, with the goal of establishing populations acceptable to fish farmers, sport fisherman, and conservationists.

The Committee is encouraged by the accomplishments of the cooperative work aimed at reducing the damages caused by beavers in the Delta National Forest and other silviculture and agricultural areas of Mississippi. The Committee continues funding at the fiscal year 1998 level for the beaver damage control assistance program to further reduce timber losses and damages to public roads, bridges, and cropland.

Horse protection.—The Committee is concerned about the implementation of the Department's recently released strategic plan for the Horse Protection Act, proposing to transfer certain enforcement responsibilities of the act to six horse industry organizations with inspection programs formally approved and certified by the agency. The Committee believes that a written enforcement agreement needs to be negotiated and executed between APHIS and each of these six horse industry organizations to reduce Department and industry conflicts in the inspection process and to ensure proper implementation of the goals and objectives of the strategic plan. The Committee expects APHIS and the six horse industry organizations to include in the written enforcement agreement the following elements: (1) a uniform horse inspection and grading system, to be used by both Department and industry inspectors at horse shows, exhibitions, sales or auctions which utilizes only definable standards and generally accepted equine medical principles; and (2) a fair and effective system for resolving disputes between Department and industry inspectors which are within the authority of the act. The Committee further expects APHIS and the six horse industry organizations to negotiate these written enforcement agreements in good faith and execute such agreements prior to February 1, 1999, to ensure their use during the 1999 show season. The Committee requests the agency to provide a copy of the written enforcement agreement between the agency and the six horse industry organizations by February 15, 1999.

The Committee does not intend to interfere in any way with the proper enforcement of the Horse Protection Act.

Avocados.—The Committee is encouraged by the agency’s work with United States avocado growers in implementing procedures for the importation of Mexican avocados that meet phytosanitary standards. The Committee expects APHIS to provide an update on the status of Mexican avocado imports and any violations of the regulations governing them.

Grasshopper/Mormon cricket control.—The Committee recognizes the seriousness of grasshopper population control to the health of both rangeland and crop production in Western States. The Committee expects the agency to use moneys available in the no-year reserve fund for the management of western grasshopper and Mormon cricket populations. Furthermore, should the need arise, the Committee directs APHIS to supplement funds for grasshopper and Mormon cricket control as a priority use of its contingency funds.

BUILDINGS AND FACILITIES

Appropriations, 1998	\$4,200,000
Budget estimate, 1999	5,200,000
Committee recommendation	4,200,000

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

COMMITTEE RECOMMENDATIONS

For buildings and facilities of the Animal and Plant Health Inspection Service, the Committee recommends an appropriation of \$4,200,000. This amount is the same as the 1998 level and \$1,000,000 less than the budget request. The Committee directs the agency to enter into a cooperative agreement to begin construction of a large animal biosafety level-3 containment facility in Montana within available funds.

AGRICULTURAL MARKETING SERVICE

MARKETING SERVICES

Appropriations, 1998 ¹	\$46,567,000
Budget estimate, 1999	58,469,000
Committee recommendation	45,567,000

¹ Reflects enacted rescission of \$25,000 (Public Law 105-174).

The Agricultural Marketing Service was established by the Secretary of Agriculture on April 2, 1972. AMS carries out programs authorized by some 31 different statutory authorities, the primary ones being the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627); the U.S. Cotton Standards Act (7 U.S.C. 51-65); the Cotton Statistics and Estimates Act (7 U.S.C. 471-476); the Tobacco Inspection Act (7 U.S.C. 511-511q); the Perishable Agricultural Commodities Act (7 U.S.C. 499a-499s); the Egg Products Inspection Act (21 U.S.C. 1031-1056); and section 32 (15 U.S.C. 713c).

Programs administered by this Agency include the market news services, payments to States for marketing activities, the Plant Variety Protection Act, the Federal administration of marketing agreements and orders, standardization, grading, classing, and

shell egg surveillance services, transportation services, and market protection and promotion.

COMMITTEE RECOMMENDATIONS

For marketing services of the Agricultural Marketing Service, the Committee recommends an appropriation of \$45,567,000. This amount is \$1,000,000 less than the 1998 appropriation and \$12,902,000 less than the budget request.

The Committee expects the Secretary to construct a National Organic Program that takes into account the needs of small farmers. The Committee directs the Secretary to establish a progressive user fee scheme so that small farmers, handlers, and certification agents are not excessively burdened. Furthermore, the Committee directs that not less than \$250,000 of the funds available for the National Organic Program be used to offset the initial costs of accreditation services, a subsidy necessary due to the lack of Department expertise in organic accreditation and insufficient data on the industry. Also, the Committee directs the Secretary to follow the recommendations of the National Organic Standards Board, as required by the 1990 farm bill, in issuing final regulations as to what substances are on the national list.

The Vermont Department of Agriculture has received very positive preliminary results on the feasibility of establishing a year-round public market in Burlington, Vermont's largest city. This could open up an important new market for farmers in Vermont and New York, especially for the 3,577 farms within a 50-mile radius of the city. The Committee encourages AMS to consider a grant to assist in the predevelopment of the Burlington Public Market.

The city of Anchorage is developing plans for a statewide seafood market to be located at Ship Creek as a central location where buyers from across the country and the world may come to purchase Alaska wild salmon and other fresh and processed seafood products. The Committee strongly urges AMS to consider a grant to develop the Anchorage Seafood Cooperative Market.

LIMITATION ON ADMINISTRATIVE EXPENSES

Limitation, 1998	(\$59,521,000)
Budget limitation, 1999	(60,730,000)
Committee recommendation	(59,521,000)

The Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35) initiated a system of user fees for the cost of grading and classing tobacco, cotton, naval stores, and for warehouse examination. These activities, authorized under the U.S. Cotton Standards Act, the Tobacco Inspection Act, the Naval Stores Act, the U.S. Warehouse Act, and other provisions of law are designed to facilitate commerce and to protect participants in the industry.

COMMITTEE RECOMMENDATIONS

The Committee recommends a limitation on administrative expenses of the Agricultural Marketing Service of \$59,521,000. This amount is the same as the 1998 level and \$1,209,000 less than the budget request.

FUNDS FOR STRENGTHENING MARKETS, INCOME, AND SUPPLY

(SECTION 32)

Appropriations, 1998	\$10,690,000
Budget estimate, 1999	10,998,000
Committee recommendation	10,998,000

Under section 32 of the act of August 24, 1935, (7 U.S.C. 612c), an amount equal to 30 percent of customs receipts collected during each preceding calendar year and unused balances are available for encouraging the domestic consumption and exportation of agricultural commodities. An amount equal to 30 percent of receipts collected on fishery products is transferred to the Department of Commerce. Additional transfers to the child nutrition programs of the Food and Nutrition Service have been provided in recent appropriation acts.

The following table reflects the status of this fund for fiscal years 1997–99:

ESTIMATED TOTAL FUNDS AVAILABLE AND BALANCE CARRIED FORWARD—FISCAL YEARS 1997–99

	Fiscal year—		
	1997 actual	1998 current estimate	1999 current estimate
Appropriation (30 percent of customs receipts) ...	\$5,923,376,725	\$5,730,107,608	\$5,701,865,817
Less transfers:			
Food and Consumer Service	– 5,433,753,000	– 5,151,391,000	– 5,048,150,000
Commerce Department	– 66,381,020	– 65,734,190	– 65,734,015
Total, transfers	– 5,500,134,020	– 5,217,125,190	– 5,113,884,015
Budget authority	423,242,705	512,982,418	587,981,802
Unobligated balance available, start of year	300,000,000	233,868,236	129,335,198
Recoveries of prior-year obligations	38,784,325		
Available for obligation	762,027,030	746,850,654	717,317,000
Less obligations:			
Commodity procurement:			
Child nutrition purchases	399,949,263	400,000,000	400,000,000
Emergency surplus removal	100,946,696	193,627,456	
Diversion payments	9,000,000		
Disaster relief	2,150,000	7,000,000	
Total, commodity procurement	512,045,959	600,627,456	400,000,000
Administrative funds:			
Commodity Purchase Service	5,624,409	6,198,000	6,319,000
Marketing agreements and orders	10,488,426	10,690,000	10,998,000
Total, administrative funds	16,112,835	16,888,000	17,317,000
Total, obligations	528,158,794	617,515,456	417,317,000
Carryout	233,868,236	129,335,198	300,000,000

ESTIMATED TOTAL FUNDS AVAILABLE AND BALANCE CARRIED FORWARD—FISCAL YEARS 1997–99—Continued

	Fiscal year—		
	1997 actual	1998 current estimate	1999 current estimate
Unobligated balance available, end of year	233,868,236	129,335,198	300,000,000

COMMITTEE RECOMMENDATIONS

The Committee recommends a transfer from section 32 funds of \$10,998,000 for the formulation and administration of marketing agreements and orders. This amount is the same as the budget estimate and \$308,000 more than the 1998 level.

In previous fiscal years, section 32 funds have been spent to purchase and distribute salmon for donation to schools, institutions, and other domestic feeding programs. The Committee expects the Agricultural Marketing Service [AMS] to continue to assess the existing inventories of pink salmon and salmon nuggets and determine whether or not there is a surplus and continued low prices in fiscal year 1999. If there is surplus salmon and continued low prices in fiscal year 1999, the Committee expects the Department to purchase surplus salmon.

PAYMENTS TO STATES AND POSSESSIONS

Appropriations, 1998	\$1,200,000
Budget estimate, 1999	1,200,000
Committee recommendation	1,200,000

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

COMMITTEE RECOMMENDATIONS

For payments to States and possessions for Federal-State marketing projects and activities, the Committee provides \$1,200,000. This amount is the same as the budget request and the 1998 appropriation.

The Department is strongly encouraged to consider a grant to the State of Alaska to develop markets for the promotion of Alaska agricultural products.

GRAIN INSPECTION, PACKERS AND STOCKYARDS ADMINISTRATION

SALARIES AND EXPENSES

Appropriations, 1998 ¹	\$25,390,000
Budget estimate, 1999 ²	11,797,000
Committee recommendation	26,390,000

¹ Reflects enacted rescission of \$38,000 and \$1,500,000 supplemental appropriation to recapitalize the revolving fund (Public Law 105-174).

² The budget assumes enactment of user fees (\$21,476,000) offset by startup costs of \$4,200,000.

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

COMMITTEE RECOMMENDATIONS

For salaries and expenses of the Grain Inspection, Packers and Stockyards Administration, the Committee recommends an appropriation of \$26,390,000. This amount is \$14,593,000 more than the budget request and \$1,000,000 more than the 1998 level.

The Committee's recommendation includes \$2,500,000 for one-time relocation costs associated with the restructuring of the Packers and Stockyards Administration. The Committee does not assume the \$17,276,000 in net savings from new user fees proposed in the budget.

INSPECTION AND WEIGHING SERVICES

LIMITATION ON INSPECTION AND WEIGHING SERVICES EXPENSES

Limitation, 1998	(\$43,092,000)
Budget limitation, 1999	(42,557,000)
Committee recommendation	(42,557,000)

The Agency provides an official grain inspection and weighing system under the U.S. Grain Standards Act [USGSA], and official inspection of rice and grain-related products under the Agricultural Marketing Act [AMA] of 1946. The USGSA was amended in 1981 to require the collection of user fees to fund the costs associated with the operation, supervision, and administration of Federal grain inspection and weighing activities.

COMMITTEE RECOMMENDATIONS

The Committee recommends a \$42,557,000 limitation on inspection and weighing services expenses. This amount is the same as the budget estimate and \$535,000 less than the 1998 level.

OFFICE OF THE UNDER SECRETARY FOR FOOD SAFETY

Appropriations, 1998	\$446,000
Budget estimate, 1999	598,000
Committee recommendation	446,000

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

COMMITTEE RECOMMENDATIONS

For the Office of the Under Secretary for Food Safety, the Committee recommends an appropriation of \$446,000. This amount is the same as the level provided for 1998 and \$152,000 less than the budget request.

FOOD SAFETY AND INSPECTION SERVICE

Appropriations, 1998 ¹	\$588,761,000
Budget estimate, 1999 ²	149,566,000
Committee recommendation	605,149,000

¹Reflects enacted rescission of \$502,000 (Public Law 105-174).

²The budget assumes enactment of user fees (\$573,434,000) offset by startup costs of \$100,000,000.

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

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

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

COMMITTEE RECOMMENDATIONS

For the Food Safety and Inspection Service, the Committee recommends an appropriation of \$605,149,000. This amount is \$16,388,000 more than the 1998 level and \$455,583,000 more than the budget request.

The Committee's recommendation includes the transfer in fiscal year 1998 of \$155,000 from departmental administration resulting from the abolishment of the central dispute resolution function and

the return of EEO counselors to the individual agencies. The Committee does not assume the collection of user fees amounting to \$573,000,000 and an implementation cost of \$100,000,000, as presented in the budget request.

Funding also is included for the Federal inspection of Florida's operations and transactions within the State since the State terminated its funding for the Cooperative State Inspection Program. The Committee provides funding for Federal inspection requirements within the parameters of the Hazard Analysis Critical Control Program [HACCP] to assure the continued safety of the Nation's food supply.

Due to spending constraints, the Committee has deferred funding proposed in the budget for risk assessment and education, including the voluntary producer education program, and assistance to States.

The Committee is concerned that the Department has not expeditiously replaced its command and control regulations with performance standards giving the regulated industry more flexibility. The Committee encourages the Department to eliminate these requirements since HACCP has been implemented in larger meat and poultry plants.

The following table represents the Committee's specific recommendations for the Food Safety and Inspection Service:

FOOD SAFETY AND INSPECTION SERVICE SALARIES AND EXPENSES

	1998 estimates	1999 budget request	Committee recommendation
Federal food inspection	\$492,587,000	\$515,660,000	\$507,979,000
Import/export inspection	11,724,000	12,217,000	12,056,000
Laboratory services	35,472,000	37,032,000	36,486,000
Field automation	8,023,000	8,525,000	8,023,000
Grants to States	40,955,000	41,719,000	40,655,000
Special assistance for State programs		7,847,000	
Subtotal	588,761,000	623,000,000	605,149,000
New user fees		-573,434,000	
Startup costs		100,000,000	
Total	588,761,000	149,566,000	605,149,000

OFFICE OF THE UNDER SECRETARY FOR FARM AND FOREIGN
AGRICULTURAL SERVICES

Appropriations, 1998	\$572,000
Budget estimate, 1999	597,000
Committee recommendation	572,000

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

Commodity Credit Corporation, Risk Management Agency, and the Foreign Agricultural Service.

COMMITTEE RECOMMENDATIONS

For the Office of the Under Secretary for Farm and Foreign Agricultural Services, the Committee recommends an appropriation of \$572,000. This amount is the same as the 1998 appropriation and \$25,000 less than the budget request.

FARM SERVICE AGENCY

The Farm Service Agency [FSA] was established by the Department of Agriculture Reorganization Act of 1994, Public Law 103–354, enacted October 13, 1994. Originally called the Consolidated Farm Service Agency, the name was changed to the Farm Service Agency on November 8, 1995. The FSA administers the commodity price support and production adjustment programs financed by the Commodity Credit Corporation, the warehouse examination function, the Conservation Reserve Program [CRP], and several other cost-share programs; the Noninsured Crop Disaster Assistance Program [NAP]; and farm ownership and operating, and emergency disaster and other loan programs.

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

Marketing assistance loan program, price support programs, and other loan and related programs.—The 1996 act provides for marketing assistance loans to producers of contract commodities, extra long staple [ELS] cotton, and oilseeds for the 1996 through 2002 crops. With the exception of ELS cotton, these nonrecourse loans are characterized by loan repayment rates that may be determined to be less than the principal plus accrued interest per unit of the commodity. However, with respect to cotton and rice, the Secretary must allow repayment of marketing loans at the adjusted world price. And, specifically with respect to the cotton marketing assistance loan, the program continues to provide for redemption at the lower of the loan principal plus accrued storage and interest, or the adjusted world price. The three-step competitiveness provisions are unchanged, except that the total expenditures under step 2 during fiscal years 1996 through 2002 cannot exceed \$701,000,000. Pro-

ducers have the option of taking a loan deficiency payment, if available, in lieu of the marketing assistance loan.

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

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

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

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

The 1996 act created new conservation programs to address high-priority environmental protection goals and authorizes CCC funding for many of the existing and new conservation programs. The Natural Resources Conservation Service administers many of the programs financed through CCC.

Foreign assistance programs and other special activities.—Various surplus disposal programs and other special activities are conducted pursuant to specific statutory authorizations and directives. These laws authorize the use of CCC funds and facilities to implement the programs. Appropriations for these programs are transferred or paid to the Corporation for its costs incurred in connection with these activities, such as Public Law 480.

Farm credit programs.—FSA reviews applications, makes and collects loans, and provides technical assistance and guidance to

borrowers. Under credit reform, administrative costs associated with agricultural credit insurance fund [ACIF] loans are appropriated to the ACIF program account and transferred to FSA salaries and expenses.

Risk management.—FSA administers the noninsured Crop Disaster Assistance Program [NAP] which provides crop loss protection for growers of many crops for which crop insurance is not available.

SALARIES AND EXPENSES

	Appropriations	Transfers from program accounts	Total, FSA, salaries and expenses
Appropriations, 1998 ¹	\$699,579,000	(\$211,265,000)	¹ (\$910,844,000)
Budget estimate, 1999 ²	723,478,000	(229,190,000)	² (952,668,000)
Committee recommendation	710,842,000	(211,265,000)	(922,107,000)

¹ Reflects enacted rescission of \$1,080,000 (Public Law 105-174).

² The budget assumes enactment of user fees (\$10,000,000).

The account “Salaries and expenses, Farm Service Agency,” funds the administrative expenses of program administration and other functions assigned to FSA. The funds consist of appropriations and transfers from the CCC export credit guarantees, Public Law 480 loans, and agricultural credit insurance fund program accounts, and miscellaneous advances from other sources. All administrative funds used by FSA are consolidated into one account. The consolidation provides clarity and better management and control of funds, and facilitates accounting, fiscal, and budgetary work by eliminating the necessity for making individual allocations and allotments and maintaining and recording obligations and expenditures under numerous separate accounts.

COMMITTEE RECOMMENDATIONS

For salaries and expenses of the Farm Service Agency, including funds transferred from other program accounts, the Committee recommends \$922,107,000. This is \$11,263,000 more than the 1998 level and \$30,561,000 less than the budget request. The amount provided includes the transfer in fiscal year 1998 of \$485,000 from departmental administration resulting from the abolishment of the central dispute resolution function and the return of EEO counselors to the individual agencies.

The Committee’s recommendation continues funding to prevent further non-Federal county office closings beyond those already agreed to by the administration and Congress. Under the 1994 U.S. Department of Agriculture’s reorganization plan, the administration was scheduled to close a total of 373 county offices by the end of fiscal year 1997. Five county offices were closed in the beginning of fiscal year 1998 to achieve this closure plan goal. In fiscal year 1998, the administration proposed and Congress approved that no more than an additional 1,500 Farm Service Agency field offices be closed. Included in the Committee’s recommendation is an increase of \$10,000,000 which the budget proposes to collect through new user fees to fund 223 non-Federal county staff-years. This amount, along with the amount of \$7,650,000 requested and provided by the

Committee for non-Federal county staff-years, will support the administration's request of 9,980 total non-Federal staff-years.

STATE MEDIATION GRANTS

Appropriations, 1998	\$2,000,000
Budget estimate, 1999	4,000,000
Committee recommendation	2,000,000

This program is authorized under title V of the Agricultural Credit Act of 1987. Originally designed to address agricultural credit disputes, the program was expanded by the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994 to include other agricultural issues such as wetland determinations, conservation compliance, rural water loan programs, grazing on National Forest System lands, and pesticides. Grants are made to States whose mediation programs have been certified by the Farm Service Agency [FSA]. Grants will be solely for operation and administration of the State's agricultural mediation program.

COMMITTEE RECOMMENDATIONS

The Committee recommends \$2,000,000 for State mediation grants. This is the same as the amount provided in 1998 and \$2,000,000 less than the budget request.

DAIRY INDEMNITY PROGRAM

Appropriations, 1998	\$550,000
Budget estimate, 1999	450,000
Committee recommendation	450,000

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

COMMITTEE RECOMMENDATIONS

For the dairy indemnity program, the Committee recommends \$450,000. This is \$100,000 less than the 1998 amount and the same as the budget request.

AGRICULTURAL CREDIT INSURANCE FUND PROGRAM ACCOUNT

The Agricultural Credit Insurance Fund Program Account is used to insure or guarantee farm ownership, farm operating, and emergency loans to individuals, as well as the following types of loans to associations: irrigation and drainage, grazing, Indian tribe land acquisition and boll weevil eradication. The insurance endorsement on each insured loan may include an agreement by the Government to purchase the loan after a specified initial period.

FSA is also authorized to provide financial assistance to borrowers by guaranteeing loans made by private lenders having a con-

tract of guarantee from FSA as approved by the Secretary of Agriculture.

The following programs are financed through this fund:

Farm ownership loans.—Made to borrowers who cannot obtain credit elsewhere to restructure their debts, improve or purchase farms, refinance nonfarm enterprises which supplement but do not supplant farm income, or make additions to farms. An insured loan may not exceed \$200,000 and a guaranteed loan may not exceed \$300,000. Loans are made for 40 years or less.

Farm operating loans.—Provide short-to-intermediate term production or chattel credit to farmers who cannot obtain credit elsewhere, to improve their farm and home operations, and to develop or maintain a reasonable standard of living. An insured loan may not exceed \$200,000 and a guaranteed loan is limited to \$400,000. The term of the loan varies from 1 to 7 years.

Emergency disaster loans.—Made available in designated areas (counties) and in contiguous counties where property damage and/or severe production losses have occurred as a direct result of a natural disaster. Areas may be declared by the President or designated for emergency loan assistance by the Secretary of Agriculture. The loan may be up to \$500,000.

Credit sales of acquired property.—Property is sold out of inventory and is made to an eligible buyer by providing FSA loans.

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

Boll weevil eradication loans.—Made to assist foundations in financing the operations of the boll weevil eradication programs provided to farmers.

COMMITTEE RECOMMENDATIONS

The Committee recommends a total level for farm loans of \$2,368,250,000. This is \$622,784,000 less than the budget request and \$32,443,000 less than the 1998 level.

The Committee continues funding for the operation of a loan program to be made available to grower organizations authorized to carry out activities related to boll weevil eradication. The Committee expects USDA to ensure that these loans supplement rather than replace funds directly provided to APHIS to meet its cost share of the boll weevil eradication program.

The following table reflects the program levels for farm credit programs administered by the Farm Service Agency recommended by the Committee, as compared to 1998 and the budget request:

AGRICULTURAL CREDIT PROGRAMS—LOAN LEVELS

[In thousands of dollars]

	1998 enacted	1998 current estimate	1999 budget	Committee recommendation
Farm ownership:				
Direct	¹ 178,320	¹ 63,872	85,000	63,872
Guaranteed	² 425,000	² 425,000	425,031	425,000
Farm operating:				
Direct	³ 565,000	³ 560,472	500,000	560,472
Guaranteed unsubsidized	⁴ 992,906	⁴ 992,906	1,700,000	992,906
Guaranteed subsidized	⁵ 235,000	⁵ 235,000	200,000	235,000
Indian tribe land acquisition	1,000	1,002	1,003	1,000
Emergency disaster	⁶ 25,000	⁶ 25,002	25,000	25,000
Boll weevil eradication loans	⁷ 53,467	⁷ 40,000	30,000	40,000
Credit sales of acquired property	25,000	25,000	25,000	25,000
Total, farm loans	2,400,693	2,368,254	2,991,034	2,368,250

¹ Includes estimated \$18,320,000 increase funded by supplemental loan subsidy appropriation provided by Public Law 105-174.

² Includes estimated \$25,000,000 increase funded by supplemental loan subsidy appropriation provided by Public Law 105-174.

³ Includes estimated \$70,000,000 increase funded by supplemental loan subsidy appropriation provided by Public Law 105-174.

⁴ Reflects estimated reduction of \$707,094,000 from enacted rescission of loan subsidy appropriation (Public Law 105-174).

⁵ Includes estimated \$35,000,000 increase funded by supplemental loan subsidy appropriation provided by Public Law 105-174.

⁶ Does not include additional \$87,400,000 funded by emergency supplemental loan subsidy appropriation (Public Law 105-174).

⁷ Includes estimated \$18,814,000 increase funded by supplemental loan subsidy appropriation provided by Public Law 105-174.

LOAN SUBSIDIES AND ADMINISTRATIVE EXPENSES LEVELS

	Subsidies			Administrative expenses		
	Insured loan	Guaranteed loan	Total	Appropriations	Transfer to FSA	Total ACIF
Appropriations, 1998	\$55,019,000	\$50,678,000	\$105,697,000	\$10,000,000	\$209,861,000	\$219,861,000
Budget estimate, 1999	56,620,000	43,958,000	100,578,000	10,000,000	227,673,000	237,673,000
Committee recommendation	57,731,000	38,815,000	96,546,000	10,000,000	209,861,000	219,861,000

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

COMMITTEE RECOMMENDATIONS

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

[In thousands of dollars]

	1998 enacted	1999 budget	Committee recommendation
Loan subsidies:			
Farm ownership:			
Direct	¹ 8,329	12,725	9,562
Guaranteed	² 16,407	6,758	6,758
Farm operating:			
Direct	³ 36,823	34,150	38,280

[In thousands of dollars]

	1998 enacted	1999 budget	Committee recommendation
Guaranteed unsubsidized	4 11,617	19,720	11,518
Guaranteed subsidized	5 22,654	17,480	20,539
Indian tribe land acquisition	132	153	153
Emergency disaster	6 6,008	5,900	5,900
Boll weevil eradication loans	7 472	432	576
Credit sales of acquired properties	3,255	3,260	3,260
Total, loan subsidies	105,697	100,578	96,546
ACIF expenses	219,861	237,673	219,861

¹ Reflects enacted supplemental of \$2,389,000 (Public Law 105-174).² Reflects enacted supplemental of \$967,000 (Public Law 105-174).³ Reflects enacted supplemental of \$4,599,000 (Public Law 105-174).⁴ Reflects enacted rescission of \$8,273,000 (Public Law 105-174).⁵ Reflects enacted supplemental of \$3,374,000 (Public Law 105-174).⁶ Does not reflect enacted emergency supplemental of \$21,000,000 (Public Law 105-174).⁷ Reflects enacted supplemental of \$222,000 (Public Law 105-174).

RISK MANAGEMENT AGENCY

	Administrative and operating expenses	Sales commissions of agents	Total
Appropriations, 1998	\$64,000,000	\$188,571,000	\$252,571,000
Budget estimate, 1999	66,000,000	(¹)	66,000,000
Committee recommendation	64,000,000	(¹)	64,000,000

¹ Assumes payment of all delivery expenses from mandatory funds.

Under the Federal Agriculture Improvement and Reform [FAIR] Act of 1996, risk management activities previously performed by the Farm Service Agency will be performed by the new Risk Management Agency.

Risk management includes program activities in support of the Federal Crop Insurance Program as authorized by the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994 and the FAIR Act. Functional areas of risk management are: research and development; insurance services; and compliance, whose functions include policy formulation and procedures and regulations development. Reviews and evaluations are conducted for overall performance to ensure the actuarial soundness of the insurance program.

COMMITTEE RECOMMENDATIONS

For administrative and operating expenses for the Risk Management Agency, the Committee recommends an appropriation of \$64,000,000. This is \$2,000,000 less than the budget request and the same as the 1998 level.

Cotton producers participating in the Federal Crop Insurance Program pay significantly higher premiums and receive a lower indemnity per dollar of coverage when compared to other major commodities. In addition, cotton insurance premiums vary greatly among otherwise similar regions with little explanation. Within available funds, the Committee directs the agency to carry out a study to review current cotton crop insurance rates, rating prac-

tices, and compare current rates to other major commodities. The Committee urges the agency to use independent experts representing all geographic cotton-growing areas. The Committee expects the agency to report to the Committee no later than December 31, 1998.

CORPORATIONS

FEDERAL CROP INSURANCE CORPORATION FUND

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

Producers of insurable crops are eligible to receive a basic level of protection against catastrophic losses, which cover 50 percent of the normal yield at 55 percent of the expected price. The only cost to the producer is an administrative fee of \$50 per policy, or \$200 for all crops grown by the producer in a county, with a cap of \$600 regardless of the number of crops and counties involved. At least catastrophic [CAT] coverage was required for producers who participate in the commodity support, farm credit, and certain other farm programs. Under the Federal Agriculture Improvement and Reform [FAIR] Act of 1996, producers are offered the option of waiving their eligibility for emergency crop loss assistance instead of obtaining CAT coverage to meet program requirements. Emergency loss assistance does not include emergency loans or payment under the Noninsured Assistance Program [NAP]. Beginning with the 1997 crop, the Secretary began phasing out delivery of CAT coverage through the FSA offices, and in 1998 designated the private insurance providers as the sole source provider of CAT coverage.

The Reform Act of 1994 also provides increased subsidies for additional buy-up coverage levels which producers may obtain from private insurance companies. The amount of subsidy is equivalent to the amount of premium established for catastrophic risk protection coverage and an amount for operating and administrative expenses for coverage up to 65 percent level at 100 percent price. For coverage equal to or greater than 65 percent at 100 percent of the price, the amount is equivalent to an amount equal to the premium established for 50 percent loss in yield indemnified at 75 percent of the expected market price and an amount of operating and administrative expenses.

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

FEDERAL CROP INSURANCE CORPORATION FUND

Appropriations, 1998 ¹	\$1,584,135,000
Budget estimate, 1999 ²	1,504,036,000
Committee recommendation	1,504,036,000

¹ RMA applied a portion of its unobligated balance to cover expenses in fiscal year 1998, thus reducing the appropriation required to \$700,000,000.

² The budget requests such sums as may be necessary to remain available until expended.

The Federal Crop Insurance Act, as amended by the Federal Crop Insurance Reform Act of 1994, authorizes the payment of expenses which may include indemnity payments, loss adjustment, delivery expenses, program-related research and development, startup costs for implementing this legislation such as studies, pilot projects, data processing improvements, public outreach, and related tasks and functions.

All program costs for 1999, except for Federal salaries and expenses, are mandatory expenditures subject to appropriation.

COMMITTEE RECOMMENDATIONS

For the Federal Crop Insurance Corporation fund, the Committee recommends an appropriation of such sums as may be necessary, estimated to be \$1,504,036,000. This is \$80,099,000 less than the amount provided in 1998. The budget requested a current indefinite appropriation and estimated the amount to be \$1,504,036,000.

COMMODITY CREDIT CORPORATION FUND

The Commodity Credit Corporation [CCC] is a wholly owned Government corporation created in 1933 to stabilize, support, and protect farm income and prices; to help maintain balanced and adequate supplies of agricultural commodities, including products, foods, feeds, and fibers; and to help in the orderly distribution of these commodities. CCC was originally incorporated under a Delaware charter and was reincorporated June 30, 1948, as a Federal corporation within the Department of Agriculture by the Commodity Credit Corporation Charter Act, approved June 29, 1948 (15 U.S.C. 714).

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

Activities of the Corporation are primarily governed by the following statutes: the Commodity Credit Corporation Charter Act; the Federal Agriculture Improvement and Reform Act of 1996, Public Law 104-127 (1996 act), enacted April 4, 1996; the Agricultural

Act of 1949 (1949 act); the Agricultural Adjustment Act of 1938 (1938 act); and the Food Security Act of 1985 (1985 act).

The 1996 act requires that the following programs be offered for the 1996 through 2002 crops: 7-year production flexibility contracts for contract commodities (wheat, feed grains, upland cotton, and rice); nonrecourse marketing assistance loans for contract commodities, extra long staple [ELS] cotton, and oilseeds; a nonrecourse loan program for peanuts; and a nonrecourse/recourse loan program for sugar. The 1996 act also requires a milk price support program that begins after enactment of the act and continues through December 31, 1999, followed by a recourse loan program for dairy product processors.

The 7-year production flexibility contracts were offered to eligible landowners and producers on a one-time basis in 1996, with some contracts being available in subsequent years for eligible contract-commodity acreage in the CRP program that, prior to 2002, is either withdrawn early or for which the contract expires. Statutorily established fixed dollar amounts are to be distributed annually among contract participants according to statutory formulas. With the exception of limitations on fruits and vegetables, contract acreage may be planted (or not planted) to any crop, but the contract acreage must be devoted to an approved agricultural use and contract participants must comply with applicable land conservation and wetland protection requirements.

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

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

The 1996 act created a recourse loan program for sugar that reverts to a nonrecourse loan program in a given fiscal year if the tariff rate quota for imports of sugar exceeds 1.5 million short tons (raw value) in any fiscal year, 1997–2002. The 1996 act suspends marketing allotment provisions in the 1938 act and implements a 1-cent-per-pound penalty if cane sugar pledged as collateral for a Corporation loan is forfeited. A similar penalty applies to beet sugar.

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

Milk prices are supported each year through the end of calendar year 1999 at statutorily established levels through purchases of butter, cheese, and nonfat dry milk. The calendar year 1996 support level was \$10.35 per hundredweight for milk containing 3.67

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

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

The 1996 act amends the 1985 act to establish the Environmental Conservation Acreage Reserve Program [ECARP], which encompasses the Conservation Reserve Program [CRP], the Wetland Reserve Program [WRP], and the Environmental Quality Incentives Program [EQIP]. Each of these programs is funded through the Corporation.

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

WRP is reauthorized through the year 2002, not to exceed 975,000 acres in total enrollment. Beginning October 1, 1996, one-third of the land enrolled is to be in permanent easements, one-third in 30-year easements or less, and one-third in wetland restoration agreements with cost sharing; 75,000 acres of land in less than permanent easements must be placed in the program before any additional permanent easements are placed.

A new, cost-share assistance program, EQIP, is established to assist crop and livestock producers deal with environmental and conservation improvements on the farm. The 1996 act authorizes program funding of \$200,000,000 annually for fiscal years 1997 through 2002. One-half of the available funds are for addressing conservation problems associated with livestock operations and one-half for other conservation concerns. Five- to ten-year contracts, based on a conservation plan will be used to implement the program.

The 1996 act also authorizes other new Corporation-funded conservation programs, including the conservation farm option, flood risk reduction contracts, the Wildlife Habitat Incentives Program, and the Farmland Protection Program.

Management of the Corporation is vested in a board of directors, subject to the general supervision and direction of the Secretary of Agriculture, who is an ex-officio director and chairman of the board. The board consists of seven members, in addition to the Secretary, who are appointed by the President of the United States with the advice and consent of the Senate. Officers of the Corpora-

tion are designated according to their positions in the Department of Agriculture.

The activities of the Corporation are carried out mainly by the personnel and through the facilities of the Farm Service Agency [FSA] and the Farm Service Agency State and county committees. The Foreign Agricultural Service, the General Sales Manager, other agencies and offices of the Department, and commercial agents are also used to carry out certain aspects of the Corporation's activities.

The Corporation's capital stock of \$100,000,000 is held by the United States. Under present law, up to \$30,000,000,000 may be borrowed from the U.S. Treasury, from private lending agencies, and from others at any one time. The Corporation reserves a sufficient amount of its borrowing authority to purchase at any time all notes and other obligations evidencing loans made by such agencies and others. All bonds, notes, debentures, and similar obligations issued by the Corporation are subject to approval by the Secretary of the Treasury.

Under Public Law 87-155 (15 U.S.C. 713a-11, 713a-12), annual appropriations are authorized for each fiscal year, commencing with fiscal year 1961. These appropriations are to reimburse the Corporation for net realized losses.

REIMBURSEMENT FOR NET REALIZED LOSSES

Appropriations, 1998	\$783,507,000
Budget estimate, 1999 ¹	8,439,000,000
Committee recommendation	8,439,000,000

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

COMMITTEE RECOMMENDATIONS

For the payment to reimburse the Commodity Credit Corporation for net realized losses, the Committee recommends an appropriation of such sums as may be necessary, but not to exceed \$8,439,000,000. This is \$7,655,493,000 more than the amount provided for 1998. The budget requested a current indefinite appropriation and estimated the amount to be \$8,439,000,000.

Food Security Commodity Reserve

The Committee urges USAID and USDA to manage the Food Security Commodity Reserve effectively to meet international food aid commitments of the United States, including supplementing Public Law 480 title II funds to meet emergency food needs.

OPERATIONS AND MAINTENANCE FOR HAZARDOUS WASTE MANAGEMENT

Limitation, 1998	(\$5,000,000)
Budget estimate, 1999	(5,000,000)
Committee recommendation	(5,000,000)

The Commodity Credit Corporation's [CCC] hazardous waste management program is intended to ensure compliance with the Comprehensive Environmental Response, Compensation, and Liability Act and the Resource Conservation and Recovery Act. Investigative and cleanup costs associated with the management of CCC hazardous waste are paid from USDA's hazardous waste manage-

ment appropriation. The CCC funds operations and maintenance costs only.

COMMITTEE RECOMMENDATIONS

For Commodity Credit Corporation operations and maintenance for hazardous waste management, the Committee provides a limitation of \$5,000,000. This amount is the same as the 1998 level and the budget request.

TITLE II—CONSERVATION PROGRAMS

OFFICE OF THE UNDER SECRETARY FOR NATURAL RESOURCES AND ENVIRONMENT

Appropriations, 1998	\$693,000
Budget estimate, 1999	719,000
Committee recommendation	693,000

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

COMMITTEE RECOMMENDATIONS

For the Office of the Under Secretary for Natural Resources and Environment, the Committee recommends an appropriation of \$693,000. This amount is the same as the amount provided in 1998 and \$26,000 less than the budget request.

NATURAL RESOURCES CONSERVATION SERVICE

The Natural Resources Conservation Service [NRCS] was established pursuant to Public Law 103-354, the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6962). NRCS combines the authorities of the former Soil Conservation Service as well as five natural resource conservation cost-share programs previously administered by the Agricultural Stabilization and Conservation Service. Through the years, this Service, together with the agricultural conservation programs and over 2 million conservation district cooperatives, has been a major factor in reducing pollution. The Natural Resources Conservation Service works with conservation districts, watershed groups, and the Federal and State agencies having related responsibilities to bring about physical adjustments in land use that will conserve soil and water resources, provide for agricultural production on a sustained basis, and reduce damage by flood and sedimentation. The Service, with its dams, debris basins, and planned watersheds, provides technical advice to the agricultural conservation programs, where the Federal Government pays about one-third of the cost, and, through these programs, has done perhaps more to minimize pollution than any other activity. These programs and water sewage systems in rural areas tend to minimize pollution in the areas of greatest damage, the rivers and harbors near our cities.

The conservation activities of the Natural Resources Conservation Service are guided by the priorities and objectives as set forth in the National Conservation Program [NCP] which was prepared in response to the provisions of the Soil and Water Resources Con-

servation Act of 1977 [RCA] (Public Law 95–192). The long-term objectives of the program are designed to maintain and improve the soil, water, and related resources of the Nation’s nonpublic lands by: reducing excessive soil erosion, improving irrigation efficiencies, improving water management, reducing upstream flood damages, improving range condition, and improving water quality.

CONSERVATION OPERATIONS

Appropriations, 1998 ¹	\$632,853,000
Budget estimate, 1999 ²	742,231,000
Committee recommendation	638,231,000

¹ Reflects enacted rescission of \$378,000 (Public Law 105–174).

² Includes funding for the watershed surveys and planning and technical assistance for watershed and flood prevention operations. Also assumes enactment of user fees (\$10,000,000).

Conservation operations are authorized by Public Law 74–46 (16 U.S.C. 590a–590f). Activities include:

Conservation technical assistance.—Provides assistance to district cooperators and other land users in the planning and application of conservation treatments to control erosion and improve the quantity and quality of soil resources, improve and conserve water, enhance fish and wildlife habitat, conserve energy, improve woodland, pasture and range conditions, and reduce upstream flooding; all to protect and enhance the natural resource base.

Inventory and monitoring provides soil, water, and related resource data for land conservation, use, and development; guidance of community development; identification of prime agricultural producing areas that should be protected; environmental quality protection; and for the issuance of periodic inventory reports of resource conditions.

Resource appraisal and program development ensures that programs administered by the Secretary of Agriculture for the conservation of soil, water, and related resources shall respond to the Nation’s long-term needs.

Soil surveys.—Inventories the Nation’s basic soil resources and determines land capabilities and conservation treatment needs. Soil survey publications include interpretations useful to cooperators, other Federal agencies, State, and local organizations.

Snow survey and water forecasting.—Provides estimates of annual water availability from high mountain snow packs and relates to summer stream flow in the Western States and Alaska. Information is used by agriculture, industry, and cities in estimating future water supplies.

Plant materials centers.—Assembles, tests, and encourages increased use of plant species which show promise for use in the treatment of conservation problem areas.

COMMITTEE RECOMMENDATIONS

For conservation operations, the Committee recommends an appropriation of \$638,231,000. This amount is \$5,378,000 more than the 1998 level and \$104,000,000 less than the budget estimate. The amount provided restores to the base \$378,000 rescinded for fiscal year 1998 and includes the transfer in fiscal year 1998 of \$133,000 from departmental administration resulting from the abolishment of the central dispute resolution function and the return of EEO

counselors to the individual agencies. The Committee does not assume the \$10,000,000 in net savings from new user fees proposed in the budget.

The Committee provides the fiscal year 1998 level of funding to continue work on the Great Lakes Basin Program for soil and erosion sediment control.

The Committee includes the fiscal year 1998 level for the grazing land conservation assistance program begun in fiscal year 1997. The agency is directed to establish a system to provide an accounting of funds used for this program within conservation operations. The Committee directs the agency to utilize these funds specifically for grazing research, demonstration, education, training, technical assistance, and related activities.

The Committee also includes \$600,000 for canal improvements and construction for the Long Beach Water Management District project, Mississippi.

The Committee provides \$300,000 to support ongoing community-based assistance for the Knapps Creek watershed project. This effort would be the first fluvial geomorphological stream restoration endeavor in West Virginia.

The Committee is concerned about the serious threat to pastures and watersheds resulting from the introduction of alien weed pests, such as gorse and miconia, into Hawaii and directs the agency to work with the Hawaii Department of Agriculture and APHIS to develop an integrated approach, including environmentally safe biological controls, for eradicating these pests and to make funds available as necessary.

The Committee encourages the agency to continue with planning and development of a watershed work plan and an environmental assessment plan for the New Porters Bayou, MS.

The Committee encourages the agency to allocate at least the 1998 level of funding to support the Federal-State partnership to address the Lake Champlain and Lake Memphremagog basins.

The Committee provides the fiscal year 1998 level of funding for financial and technical assistance for Franklin County, MS.

The Committee provides the fiscal year 1998 level of funding to continue support of agricultural development and resource conservation in the native Hawaiian homestead communities served by the Molokai Agriculture Community Committee on the Island of Molokai.

The Committee continues the fiscal year 1998 level of funding for plant material centers, and directs that \$1,000,000 be used to continue development of warm season grasses for use in the Conservation Reserve Program [CRP] and the Wildlife Habitat Incentives Program [WHIP].

The Committee recognizes that technology development and transfer within the agency is the foundation for sound and productive land management practices and conservation program policies. The Committee encourages enhanced efforts by the agency to find, develop, support, and transfer technology among all the Department's natural resources conservation programs.

The Committee provides \$1,000,000 for selective debris removal from Okatoma Creek, MS, to minimize disturbances to fisheries resources.

The Committee recognizes that West Virginia leads the Nation in erosion of pastureland. The State has approximately 1.6 million acres of permanent pasture, and 1.3 million is eroding beyond the soil's ability to replenish itself. The Committee continues funding at the fiscal year 1998 level for the grazing lands initiative in West Virginia to help reduce current erosion.

The Committee provides an additional \$450,000 from the fiscal year 1998 level for the delta study which is aimed at water conservation, alternative water supply evaluations, and environmental planning. This additional funding will allow the recommendations identified in the study to be implemented in cooperation with the local sponsor.

The Committee is aware that the Department has the authority to designate national priority areas under the guidelines of the Environmental Quality Incentives Program [EQIP]. The Committee directs the agency to evaluate the applications for fiscal year 1999 and proceed to provide adequate funding for not less than two national priority area pilot projects.

The Committee directs the agency to establish a pilot project in Washington, Sharkey, and Yazoo Counties, MS, to clarify and conclusively determine the proper classification and taxonomic characteristics of Sharkey soils. This pilot project should conform to all scientific methods utilized in soil taxonomy and reclassification and should be coordinated with soil scientists at land-grant universities in the region. Methods used in this soil reclassification study should serve as a standard for subsequent soil survey and reclassification efforts by the agency. The subcommittee expects the agency to report on the progress of this project no later than January 31, 1999.

The Committee is aware that problems have arisen in the Wetlands Reserve Program [WRP] related to the adverse impacts of the program on landowners adjacent to tracts under easement restrictions. The Committee encourages the agency to structure terms of the WRP contracts so that high priority is given to the considerations of adjacent landowners, including but not limited to the maintenance of watershed protection.

The language "to the maximum extent practicable" found in section 333(b)(2)(A) of the Federal Agriculture Improvement and Reform [FAIR] Act should be interpreted to mean that acceptance of WRP bids may be in proportion to landowner interest expressed in program options. The goal shall remain that landowners be offered a choice among permanent and nonpermanent easements as well as cost-share agreements.

The Committee encourages the Department to continue existing cooperative agreements with private conservation organizations to support the implementation of the Wetlands Reserve Program.

The Committee provides \$1,000,000 for the Tri-Valley watershed, a part of the Central Utah Completion Act, for improvement to canals and to provide pressurized irrigation water to 3,700 acres.

The Committee provides \$75,000 for the Big Nance Creek, AL, for installation of the three remaining flood water retarding dams.

The Committee provides an increase of \$200,000 from fiscal year 1998 to increase the Hawaii Plant Materials Center's capability to propagate native plants to support the Federal cleanup of the Is-

land of Kahoolawe, and to serve as mentor for the startup of native plant nurseries.

The Committee urges the agency to use locally led assessments through the existing programs to evaluate odor and water quality pollution risk areas.

The Committee provides \$500,000 for technical assistance for the planning and design of the Deep Creek watershed project in Yadkin County, NC.

The Committee provides an increase of \$100,000 from the fiscal year 1998 level for composting demonstration sites of poultry litter and wood products in West Virginia. The Committee recognizes that poultry litter has tremendous potential as a value-added product, and this demonstration project is an important extension of the poultry litter export efforts being carried out through the Potomac headwaters land treatment water quality project.

The Committee supports the GIS Center for Advanced Spatial Technology in Arkansas, its development of digital soil maps, and the continuation of the National Digital Orthophotography Program. NRCS has been the lead agency within the Department for the development of GIS capabilities, and the Committee urges it to maintain its relationship with the center.

The Committee provides an additional \$600,000 from the fiscal year 1998 level to address the loess hills erosion in western Iowa.

The Committee urges the agency to provide additional support to continue work on Poinsett Channel main ditch No. 1, Arkansas.

The Committee provides \$160,000 for the Potomac and Ohio River basins soil nutrient project. The project will test soils to provide farmers with nutrient management information to reduce production costs; aid in the protection of the Chesapeake Bay from eutrophication; and the Ohio River, Mississippi River, and Gulf of Mexico from depletion of life-sustaining oxygen.

The Committee provides \$300,000 to develop a geographic information system [GIS] based model in South Carolina to integrate commodity and conservation program data at the field level for watershed analysis purposes.

The Committee notes the declining ground water resources in the lower Mississippi Valley and is aware of ongoing efforts of the U.S. Army Corps of Engineers, the State of Arkansas, and local conservation districts to correct this serious problem. The Committee expects the agency to increase its support above the fiscal year 1998 level for activities associated with Boeuf-Tensas, Bayou Meto, and other ground water-related projects in east Arkansas along with continuing the efforts with the Corps of Engineers. In addition, the Committee expects the continuation of activities in Arkansas related to the Kuhn Bayou project, also known as Point Remove.

The Committee is aware of the need to continue development of water treatment practices for cool and cold water aquaculture production in West Virginia.

To comply with Clean Water Act requirements, all States eventually will have to establish total maximum daily load [TMDL] standards and formulate and implement plans to correct temperature, sediment, and containment problems in waterways. The Committee

encourages NRCS to give high priority to States, such as Idaho, which are currently under a court imposed schedule.

The Committee provides \$350,000 for evaluating and increasing native plant materials in Alaska. The revegetation will be developed for commercial producers so that it can be used to protect and restore worn trails, eroded streambanks, and to prevent further ecological damage.

The Committee also provides \$500,000 for technical assistance for the Resurrection River North Forest Acres, Alaska.

WATERSHED SURVEYS AND PLANNING

Appropriations, 1998	\$11,190,000
Budget estimate, 1999	(¹)
Committee recommendation	11,190,000

¹ Funding is included under conservation operations.

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

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

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

COMMITTEE RECOMMENDATIONS

For watershed surveys and planning, the Committee recommends an appropriation of \$11,190,000. This amount is the same as the 1998 appropriation and \$11,190,000 more than the budget request.

WATERSHED AND FLOOD PREVENTION OPERATIONS

Appropriations, 1998 ¹	\$101,036,000
Budget estimate, 1999 ²	49,000,000
Committee recommendation	101,036,000

¹ Does not reflect \$80,000,000 in emergency funding provided by Public Law 105-174.

² Funding for technical assistance is included under conservation operations.

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

The Natural Resources Conservation Service has general responsibility for administration of activities which include cooperation with local sponsors, State, and other public agencies in the installation of planned works of improvement to reduce erosion, flood-water, and sediment damage; conserve, develop, utilize, and dispose of water; plan and install works of improvement for flood prevention including the development of recreational facilities and the improvement of fish and wildlife habitat; and loans to local organizations to help finance the local share of the cost of carrying out planned watershed and flood prevention works of improvement.

COMMITTEE RECOMMENDATIONS

For watershed and flood prevention operations, the Committee recommends an appropriation of \$101,036,000. This amount is the same as the 1998 appropriation and \$52,036,000 more than the budget request.

The Committee continues the fiscal year 1998 level of funding for the following projects: the Little Sioux and Mosquito Creek projects in Iowa; the Little Auglaize watershed in Ohio; and supports the continuation of the Potomac headwaters project in West Virginia.

The Committee is aware of outstanding watershed needs in the following Mississippi counties: Adams, Alcorn, Claiborne, Covington, DeSota, Forrest, Grenada, Hinds, Holmes, Itawamba, Jones, Leake, Lee, Lowndes, Madison, Monroe, Neshoba, Panola, Perry, Pontotoc, Prentiss, Rankin, Tippah, Union, Warren, Benton, Copiah, Hancock, Jackson, Lauderdale, Leflore, Marshall, Montgomery, Simpson, Tallahatchie, Tate, Stone, Webster, Lamar, Winston, and Yazoo.

The Committee encourages the Department to complete work on the Deadman-Bullard project, Oregon.

The Committee supports increasing water storage capacity and improving the efficiency of delivery systems on the Islands of Hawaii and Maui to mitigate persistent drought conditions and conserve water to support diversified agriculture activities. The Committee urges the NRCS to support projects to improve these storage and delivery systems.

The Committee encourages the Department to assist local land-owners with the following watershed projects: lower Winooski, Dead Creek, Barton, Clyde, and lower Otter Rivers in the Lake Champlain and Memphremagog watersheds in Vermont; Repaupo

Creek watershed, Greenwich and Logan Townships, New Jersey; and the South Delta watershed, Mississippi.

The Committee urges the agency to proceed with a comprehensive watershed plan for the Upper Tygart Valley watershed. The Committee also urges the agency to proceed with a pilot flood plain relocation project for the Tygart River basin initiative in West Virginia. The Committee is aware that traditional programs have not proven effective against continuous flooding in the basin.

The Committee is aware of continued flooding in the Devils Lake basin in North Dakota, and notes that the lake has risen in each of the past 6 years. The lake is now about 22 feet higher than it was in 1993. The Committee encourages the Natural Resources Conservation Service, with the cooperation of the Farm Service Agency, to assist in the locally coordinated flood response and water management activities being developed with the Federal Emergency Management Agency. NRCS and FSA should continue to utilize conservation programs in providing water holding and storage areas on private land as necessary intermediate measures in watershed management.

RESOURCE CONSERVATION AND DEVELOPMENT

Appropriations, 1998	\$34,377,000
Budget estimate, 1999	34,377,000
Committee recommendation	34,377,000

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

COMMITTEE RECOMMENDATIONS

For resource conservation and development, the Committee recommends an appropriation of \$34,377,000. This amount is the same as the 1998 level and the budget estimate.

FORESTRY INCENTIVES PROGRAM

Appropriations, 1998	\$6,325,000
Budget estimate, 1999	6,325,000
Committee recommendation	6,325,000

The Forestry Incentives Program is authorized by the Cooperative Forestry Assistance Act of 1978 (Public Law 95-313), as amended by section 1214, title XII, of the Food, Agriculture, Conservation, and Trade Act of 1990 and the Federal Agriculture Improvement and Reform Act of 1996. Its purpose is to encourage the development, management, and protection of nonindustrial private forest lands. This program is carried out by providing technical as-

sistance and long-term cost-sharing agreements with private landowners.

COMMITTEE RECOMMENDATIONS

For the Forestry Incentives Program, the Committee recommends an appropriation of \$6,325,000. This amount is the same as the 1998 appropriation and \$6,325,000 more than the budget request.

TITLE III—RURAL ECONOMIC AND COMMUNITY
DEVELOPMENT PROGRAMS

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

In the 1930’s and 1940’s, these agencies were primarily involved in making small loans to farmers; however, today these agencies have a multibillion dollar assistance program throughout all America providing loans and grants for single-family, multifamily housing, and special housing needs, a variety of community facilities, infrastructure, and business development programs.

OFFICE OF THE UNDER SECRETARY FOR RURAL DEVELOPMENT

Appropriations, 1998	\$588,000
Budget estimate, 1999	611,000
Committee recommendation	588,000

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

COMMITTEE RECOMMENDATIONS

For the Office of the Under Secretary for Rural Development, the Committee recommends an appropriation of \$588,000. This amount is \$23,000 less than the budget request and the same as the 1998 level.

The Committee encourages the Secretary to consider the designation of Alcorn State University’s proposed Hiram Revels Institute for the study and improvement of rural life as a center of excellence. This center will seek to improve the health and economy of rural Americans through innovative telemedicine and techniques to increase job skills. The Committee also urges the agency to consider any application that would help in this mission.

The definition of “rural area” for USDA rural development programs, as revised by the Federal Agriculture Improvement and Reform Act of 1996 [FAIR], has had the unintentional effect of making ineligible some areas of the country that had been previously eligible for certain rural business programs administered by the Rural Business-Cooperative Service and the community facilities direct loan, loan guarantee, and grant programs administered by the Rural Housing Service. The Committee includes language in the bill to reinstate the statutory language and regulations in existence prior to enactment of the FAIR Act until this matter can be addressed on a permanent basis.

RURAL COMMUNITY ADVANCEMENT PROGRAM

Appropriations, 1998	\$652,197,000
Budget estimate, 1999	715,172,000
Committee recommendation	700,201,000

The Rural Community Advancement Program [RCAP], authorized by the Federal Agriculture Improvement and Reform Act of 1996 (Public Law 104–127), consolidates funding for the following programs: direct and guaranteed water and waste disposal loans, water and waste disposal grants, emergency community water assistance grants, solid waste management grants, direct and guaranteed community facility loans, community facility grants, direct and guaranteed business and industry loans, rural business enterprise grants, and rural business opportunity grants. This proposal is in accordance with the provisions set forth in the Federal Agriculture Improvement and Reform Act of 1996, Public Law 104–127. Consolidating funding for these 12 rural development loan and grant programs under RCAP provides greater flexibility to tailor financial assistance to applicant needs.

With the exception of the 10 percent in the “National office reserve” account, funding is allocated to rural development State directors for their priority setting on a State-by-State basis. State directors are authorized to transfer not more than 25 percent of the amount in the account that is allocated for the State for the fiscal year to any other account in which amounts are allocated for the State for the fiscal year, with up to 10 percent of funds allowed to be reallocated nationwide.

Community facility loans were created by the Rural Development Act of 1972 to finance a variety of rural community facilities. Loans are made to organizations, including certain Indian tribes and corporations not operated for profit and public and quasipublic agencies, to construct, enlarge, extend, or otherwise improve community facilities providing essential services to rural residents. Such facilities include those providing or supporting overall community development, such as fire and rescue services, health care, transportation, traffic control, and community, social, cultural, and recreational benefits. Loans are made for facilities which primarily serve rural residents of open country and rural towns and villages of not more than 20,000 people. Health care and fire and rescue facilities are the priorities of the program and receive the majority of available funds.

The Community Facility Grant Program authorized in the Federal Agriculture Improvement and Reform Act of 1996 (Public Law

104–127), is used in conjunction with the existing direct and guaranteed loan programs for the development of community facilities, such as hospitals, fire stations, and community centers. Grants are targeted to the lowest income communities. Communities that have lower population and income levels receive a higher cost-share contribution through these grants, to a maximum contribution of 75 percent of the cost of developing the facility.

The Rural Business and Industry Loans Program was created by the Rural Development Act of 1972, and finances a variety of rural industrial development loans. Loans are made for rural industrialization and rural community facilities under Rural Development Act amendments to the Consolidated Farm and Rural Development Act authorities. Business and industrial loans are made to public, private, or cooperative organizations organized for profit, to certain Indian tribes, or to individuals for the purpose of improving, developing or financing business, industry, and employment or improving the economic and environmental climate in rural areas. Such purposes include financing business and industrial acquisition, construction, enlargement, repair or modernization, financing the purchase and development of land, easements, rights-of-way, buildings, payment of startup costs, and supplying working capital. Industrial development loans may be made in any area that is not within the outer boundary of any city having a population of 50,000 or more and its immediately adjacent urbanized and urbanizing areas with a population density of more than 100 persons per square mile. Special consideration for such loans is given to rural areas and cities having a population of less than 25,000.

Rural business enterprise grants were authorized by the Rural Development Act of 1972. Grants are made to public bodies and nonprofit organizations to facilitate development of small and emerging business enterprises in rural areas, including the acquisition and development of land; the construction of buildings, plants, equipment, access streets and roads, parking areas, and utility extensions; refinancing fees; technical assistance; and startup operating costs and working capital.

Rural business opportunity grants are authorized under section 306(a)(11) of the Consolidated Farm and Rural Development Act, as amended. Grants may be made, not to exceed \$1,500,000 annually, to public bodies and private nonprofit community development corporations or entities. Grants are made to identify and analyze business opportunities that will use local rural economic and human resources; to identify, train, and provide technical assistance to rural entrepreneurs and managers; to establish business support centers; to conduct economic development planning and coordination, and leadership development; and to establish centers for training, technology, and trade that will provide training to rural businesses in the utilization of interactive communications technologies.

The water and waste disposal program is authorized by several actions, including sections 306, 306A, 309A, and 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq., as amended). This program makes loans for water and waste development costs. Development loans are made to associations, including corporations operating on a nonprofit basis, municipalities and

similar organizations, generally designated as public or quasipublic agencies, that propose projects for the development, storage, treatment, purification, and distribution of domestic water or the collection, treatment, or disposal of waste in rural areas. Such grants may not exceed 75 percent of the development cost of the projects and can supplement other funds borrowed or furnished by applicants to pay development costs.

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

COMMITTEE RECOMMENDATIONS

For the Rural Community Advancement Program [RCAP], the Committee recommends \$700,201,000. This amount is \$14,971,000 less than the budget request and \$48,004,000 more than the fiscal year 1998 level.

Community facility loans.—The Committee is aware of the unique problems facing the Alaska Village Electric Cooperative serving 50 rural Alaskan villages and the environmental problems resulting from leaking fuel lines and tanks. The Committee directs the Department to work with this cooperative to finance the needed repairs and equipment through a combination of a community facilities direct loans at the poverty interest rate of 4.5 percent and community facilities grant funds so that environmental laws are not broken. Should the Department find that no assistance can be provided, the Committee requests that the Department report to the Committee no later than December 31, 1998.

The Committee is aware of and encourages the Department to give consideration to applications for community facility loans for the Bamberg Planning Commission, South Carolina, in order to stimulate economic growth; and for the early childhood center in Jefferson County, OR.

Community facility grants.—The Committee recognizes that Libby, MT, is experiencing a weakened economy from a decline in the timber harvesting industry in Western States. The Committee encourages the Department to consider an application and to work closely in developing a plan for a community facility for arts and local activities. The Committee recognizes the need for a community facility grant for Rural Missions, Inc., Johns Island, SC, and encourages the Department to give this application the utmost consideration.

The Committee strongly encourages the Department to consider an application for the Bologna Performing Arts Center for a summer arts program for kindergarten–12th grade students and teachers, Cleveland, MS.

The Committee is aware of the need for a community facility grant for the construction of a new facility for the St. Paul Island Health Clinic in Alaska. The Committee encourages the Department to consider an application for the construction of this facility.

Rural business enterprise grants.—The Committee is aware of and encourages the Department to give consideration to applications for rural business enterprise grants [RBEG] from the following: Northern New Mexico Apple Growers Cooperative in Velarde, NM; the Grants to Broadcasting Program; Self-Help, Durham, NC; Delta Research Telecommunications Resource Center, Missouri; Coastal Enterprises, Inc. [CEI], Wiscasset, ME; Yankee Forest Safety Network; Strategic Marketing for Rural Businesses and Communities, Iowa; Arkansas Enterprise Group, Arkansas; University of Maine's Darling Marine Research Center, Maine; Lancaster County, PA; Rosedale-Bolivar County Port Commission, Mississippi; Rural Economic Area Partnerships, North Dakota; Heritage Corridor, South Carolina; and the slaughterhouse in Teller, AK.

The Committee expects the Department to consider only those applications judged meritorious when subjected to the established review process. The Committee expects the Department to ensure that the system by which applications for rural business enterprise grants are considered does not discriminate against applications which may benefit multiple States.

The Committee has provided the 1998 level of funding of \$500,000 for transportation technical assistance.

Water and waste disposal loans and grants.—The Committee is aware of and encourages the Department to consider applications for the following projects: the Lake Marion Regional Water Agency and the Shulerville/Honey Hill Water project, South Carolina; the Choctaw Water Association and the Boyle-Skene Water Association, Mississippi; the Long Park Dam in Manila, UT; and Vallecito Water Co., Colorado.

The Committee also includes language in the bill to make up to \$25,000,000 available for water systems for rural and native villages in Alaska, and \$20,000,000 for water and waste disposal systems for the colonias along the United States-Mexico border. In addition, the Committee makes up to \$5,200,000 available for the circuit rider program.

Venture capital.—The Committee directs the Department to provide for rural venture capital demonstration programs only in Kentucky and Vermont.

The Committee recognizes the continuing problem of out-migration in rural counties across the country and the efforts being made through the Rural Economic Area Partnership [REAP] Pilot Program. The Committee is aware of the Department's financial support of the REAP zones in North Dakota and urges the continuation of this support. In addition, the Committee urges that Rural Development, as the lead agency for this pilot program, use out-migration as one of the allocation criteria when determining assistance.

The Committee recognizes the importance of providing assistance to the economically distressed area of the Lower Mississippi Delta. The Committee does not recommend the transfer of RCAP funds to the Appalachian Regional Commission to establish a delta region economic development program, as proposed by the administration. This proposal is addressed specifically by the Committee under the Office of the Secretary.

The Committee expects the Department to continue to provide financial assistance for the Lower Mississippi Delta Development Center [LMDDC], a not-for-profit organization which advocates and helps implement the recommendations for the congressionally created Lower Mississippi Delta Development Commission.

The following table provides the Committee's recommendations, as compared to the fiscal year 1998 and budget request levels:

RURAL COMMUNITY ADVANCEMENT PROGRAM

[Budget authority in thousands of dollars]

	Fiscal year—		Committee recommendation
	1998 appropriation	1999 budget request	
Housing:			
Community facility loan subsidies:			
Guaranteed	613		
Direct	17,273	27,480	20,610
Community facility grants	9,176	8,237	9,176
Subtotal, housing	27,062	35,717	29,786
Business:			
Business and industry loan subsidies:			
Guaranteed	9,700	10,200	9,700
Direct			
Rural business enterprise grants	38,193	40,300	38,193
Subtotal, business	47,893	50,500	47,893
Utilities:			
Water and waste disposal loan subsidies:			
Guaranteed			
Direct	67,442	126,209	119,922
Water and waste disposal grants	507,200	500,000	500,000
Solid waste management grants	2,600	2,746	2,600
Subtotal, utilities	577,242	628,955	622,522
Total, loan subsidies and grants	652,197	715,172	700,201

RURAL HOUSING SERVICE

TOTAL APPROPRIATIONS LEVEL

Appropriations, 1998 ¹	\$1,254,002,000
Budget estimate, 1999	1,288,246,500
Committee recommendation	1,284,481,000

¹ Reflects enacted rescission of \$846,000 (Public Law 105-174).

The Rural Housing Service [RHS] was established under Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994, dated October 13, 1994.

The mission of the Service is to improve the quality of life in rural America by assisting rural residents and communities in obtaining adequate and affordable housing and access to needed community facilities. The goals and objectives of the Service are: (1) fa-

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

COMMITTEE RECOMMENDATIONS

The Committee recommends total appropriations of \$1,284,481,000 for the Rural Housing Service. This is \$3,765,500 less than the budget request and \$30,479,000 more than the 1998 level.

RURAL HOUSING INSURANCE FUND PROGRAM ACCOUNT

ESTIMATED LOAN LEVEL

Loan level, 1998	(\$4,219,527,000)
Budget estimate, 1999	(4,347,116,000)
Committee recommendation	(4,284,398,000)

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

COMMITTEE RECOMMENDATIONS

The following table presents loan and grant program levels recommended by the Committee, compared to the 1998 levels and the 1999 budget request:

RURAL HOUSING SERVICE LOAN AND GRANT LEVELS

[In thousands of dollars]

	Fiscal year—		Committee recommendation
	1998	1999 request	
Rural Housing Insurance Fund Program Account loan levels:			
Low-income family housing (sec. 502):			
Direct	(1,000,000)	(1,000,000)	(1,000,000)
Unsubsidized guaranteed	(3,000,000)	(3,000,000)	(3,000,000)
Housing repair (sec. 504)	(30,000)	(25,001)	(30,000)
Farm labor (sec. 514)	(15,000)	(32,108)	(15,758)
Rental housing (sec. 515)	² (128,640)	(100,000)	(128,640)
Multifamily housing guarantees (sec. 538)	(19,700)	(150,000)	(75,000)
Credit sales of acquired property	(25,000)	(30,007)	(25,000)
Site loans (sec. 524)	(600)	(5,000)	(5,000)
Self-help housing land development fund	(587)	(5,000)	(5,000)
Total, RHS	(4,219,527)	(4,347,116)	(4,284,398)
Grants and payments:			
Mutual and self-help housing	26,000	26,000	26,000
Rental assistance	541,397	583,397	583,397
Rural community fire protection grants	2,000	(¹)	(¹)
Rural housing assistance grants [RHAG]	45,720	46,900	45,720
Total, rural housing grants and payments	615,117	656,297	655,117
Total, RHS loans and grants	(4,834,644)	(5,003,413)	(4,939,515)

¹ Funded in fiscal year 1999 under the U.S. Forest Service.² USDA changed terms of loan from 50 years to 30 years which allows the agency to make \$150,000,000 in loans.

LOAN SUBSIDY AND ADMINISTRATIVE EXPENSES LEVELS

	Direct loan subsidy	Guaranteed loan subsidy	Administrative expenses, including transfer from RHIF
Appropriations, 1998	\$218,042,000	\$8,100,000	(\$412,743,000)
Budget estimate, 1999	196,934,500	6,180,000	(428,835,000)
Committee recommendation	203,161,000	4,440,000	(421,763,000)

The Federal Credit Reform Act of 1990 established the program account. Appropriations to this account will be used to cover the lifetime subsidy costs associated with the direct loans obligated and loan guarantees committed in 1999, as well as for administrative expenses. The following table presents the loan subsidy levels as compared to the 1998 levels and the 1999 budget request:

[In thousands of dollars]

	Fiscal year—		Committee recommendation
	1998 level	1999 request	
Loan subsidies:			
Single family (sec. 502):			
Direct	128,100	118,200	118,200
Unsubsidized guaranteed	6,900	2,700	2,700

[In thousands of dollars]

	Fiscal year—		Committee recommendation
	1998 level	1999 request	
Housing repair (sec. 504)	10,300	8,808	10,569
Farm labor (sec. 514)	7,388	16,706	8,199
Rental housing (sec. 515)	68,745	48,250	62,069
Multifamily housing guarantees (sec. 538)	1,200	3,480	1,740
Site loans		16	16
Credit sales of acquired property	3,492	4,672	3,826
Self-help housing land development fund	17	282	282
Total, loan subsidies	226,142	203,114	207,601
Administrative expenses	57,958	60,978	60,978
(Transfer from RHIF)	(354,785)	(367,857)	(360,785)
Total, RHS expenses	(412,743)	(428,835)	(421,763)

RENTAL ASSISTANCE PROGRAM

Appropriations, 1998	\$541,397,000
Budget estimate, 1999	583,397,000
Committee recommendation	583,397,000

The Housing and Community Development Act of 1974 established a rural rental assistance program to be administered through the rural housing loans program. The objective of the program is to reduce rents paid by low-income families living in Rural Housing Service financed rental projects and farm labor housing projects. Under this program, low-income tenants will contribute the higher of: (1) 30 percent of monthly adjusted income; (2) 10 percent of monthly income; or (3) designated housing payments from a welfare agency.

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

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

COMMITTEE RECOMMENDATIONS

For rural rental assistance payments, the Committee recommends an appropriation of \$583,397,000. This amount is the same as the budget request and \$42,000,000 more than the 1998 level.

MUTUAL AND SELF-HELP HOUSING GRANTS

Appropriations, 1998	\$26,000,000
Budget estimate, 1999	26,000,000
Committee recommendation	26,000,000

This grant program is authorized by title V of the Housing Act of 1949. Grants are made to local organizations to promote the development of mutual or self-help programs under which groups of usually 6 to 10 families build their own homes by mutually exchanging labor. Funds may be used to pay the cost of construction supervisors who will work with families in the construction of their homes and for administrative expenses of the organizations providing the self-help assistance.

COMMITTEE RECOMMENDATIONS

The Committee recommends \$26,000,000 for mutual and self-help housing grants. This is the same as the 1998 and the budget request levels.

RURAL COMMUNITY FIRE PROTECTION GRANTS

Appropriations, 1998	\$2,000,000
Budget estimate, 1999	(1)
Committee recommendation	(1)

¹Transferred to the U.S. Forest Service.

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

COMMITTEE RECOMMENDATIONS

The Committee recommends no funding for this program. This program is transferred to the U.S. Forest Service, as proposed in the budget.

RURAL HOUSING ASSISTANCE GRANTS

Appropriations, 1998	\$45,720,000
Budget estimate, 1999	46,900,000
Committee recommendation	45,720,000

This program consolidates funding for rural housing grant programs. This consolidation of housing grant funding provides greater flexibility to tailor financial assistance to applicant needs.

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

Under section 516 of the Housing Act of 1949, the Rural Housing Service is authorized to share with States or other political subdivisions, public or private nonprofit organizations, or nonprofit organizations of farm workers, the cost of providing low-rent housing, basic household furnishings, and related facilities to be used by domestic farm laborers. Such housing may be for year-round or seasonal occupancy and consist of family units, apartments, or dormitory-type units, constructed in an economical manner, and not of elaborate or extravagant design or materials. Grant assistance may not exceed 90 percent of the total development cost. Applicants fur-

nish as much of the development cost as they can afford by using their own resources, by borrowing either directly from private sources, or by obtaining an insured loan under section 514 of the Housing Act. The applicant must agree to charge rentals which do not exceed amounts approved by the Secretary, maintain the housing at all times in a safe and sanitary condition, and give occupancy preference to domestic farm laborers.

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

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

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

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

Supervisory and technical assistance grants.—Supervisory and technical assistance grants are made to public and private non-profit organizations for packaging loan applications for housing assistance under sections 502, 504, 514/516, 515, 524, and 533. The assistance is directed to very low-income families in underserved areas where at least 20 percent of the population is below the poverty level and at least 10 percent or more of the population resides in substandard housing. In fiscal year 1994 a Homebuyer Education Program was implemented under this authority. This program provides low-income individuals and families education and counseling on obtaining and/or maintaining occupancy of adequate housing and supervised credit assistance to become successful homeowners.

Compensation for construction defects.—Compensation for construction defects provides funds for grants to eligible section 502 borrowers to correct structural defects, or to pay claims of owners arising from such defects on a newly constructed dwelling purchased with RHS financial assistance. Claims are not paid until provisions under the builder's warranty have been fully pursued. Requests for compensation for construction defects must be made by the owner of the property within 18 months after the date financial assistance was granted.

Rural housing preservation grants.—Rural housing preservation grants (section 522) of the Housing and Urban-Rural Recovery Act of 1983 authorizes the Rural Housing Service to administer a program of home repair directed at low- and very low-income people.

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

COMMITTEE RECOMMENDATIONS

For the Rural Housing Assistance Grants Program the Committee recommends \$45,720,000. This is \$1,180,000 less than the budget request and the same as the 1998 level.

The following table compares the grant program levels recommended by the Committee to the 1998 levels and the budget request:

RURAL HOUSING ASSISTANCE GRANTS

[In thousands of dollars]

	Fiscal year—		Committee recommendation
	1998 level	1999 request	
Domestic farm labor grants	10,000	13,000	10,000
Very low-income housing repair grants	24,900	24,900	24,900
Rural housing preservation grants	10,820	9,000	10,820
Total	45,720	46,900	45,720

SALARIES AND EXPENSES

	Appropriation	Transfer from loan accounts	Total, RHS salaries and expenses
Appropriations, 1998	¹ \$57,958,000	(\$354,785,000)	(\$412,743,000)
Budget estimate, 1999	60,978,000	(367,857,000)	(428,835,000)
Committee recommendation	60,978,000	(360,785,000)	(421,763,000)

¹ Reflects enacted rescission of \$846,000 (Public Law 105-174).

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

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

COMMITTEE RECOMMENDATIONS

For salaries and expenses of the Rural Housing Service, including transfers from other accounts, the Committee recommends an

appropriation of \$421,763,000. This is \$7,072,000 less than the budget request and \$9,020,000 more than the fiscal year 1998 level.

RURAL BUSINESS-COOPERATIVE SERVICE

Appropriations, 1998	\$55,028,000
Budget estimate, 1999	57,048,000
Committee recommendation	54,578,000

The Rural Business-Cooperative Service [RBS] was established by Public Law 103-354, Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994, dated October 13, 1994. Its programs were previously administered by the Rural Development Administration, the Rural Electrification Administration, and the Agricultural Cooperative Service.

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

COMMITTEE RECOMMENDATIONS

The following table presents the Committee's recommended levels for loans and grants administered by the Rural Business-Cooperative Service, as compared to the 1998 levels and the budget request:

RURAL BUSINESS-COOPERATIVE SERVICE GRANTS AND LOANS

[In thousands of dollars]

	Fiscal year—		Committee recommendation
	1998 level	1999 request	
Rural development loan fund	(35,000)	(35,000)	(33,000)
Rural economic development loans	(25,000)	(15,000)	(23,000)
Total, RBS loans	(60,000)	(50,000)	(56,000)
Rural cooperative development grants	3,000	5,700	3,000
Total, RBS loans and grants	(63,000)	(55,700)	(59,000)

RURAL DEVELOPMENT LOAN FUND PROGRAM ACCOUNT

ESTIMATED LOAN LEVEL

Loan level, 1998	(\$35,000,000)
Budget estimate, 1999	(35,000,000)
Committee recommendation	(33,000,000)

The rural development (intermediary relending) loan program was originally authorized by the Economic Opportunity Act of 1964

(Public Law 88–452). The making of rural development loans by the Department of Agriculture was reauthorized by Public Law 99–425, the Human Services Reauthorization Act of 1986.

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

The Federal Credit Reform Act of 1990 established the program account. Appropriations to this account will be used to cover the lifetime subsidy costs associated with the direct loans obligated in 1999, as well as for administrative expenses.

COMMITTEE RECOMMENDATIONS

For rural development (intermediary relending) loans, the Committee recommends a total level of \$33,000,000. This is \$2,000,000 less than the budget request and the 1998 level.

The following table presents the Committee's recommendations for direct loan subsidy and administrative expenses, as compared to the fiscal year 1998 and budget request levels:

ESTIMATED LOAN SUBSIDY AND ADMINISTRATIVE EXPENSES LEVELS

	Direct loan subsidy	Administrative ex- penses transfer to RBCS
Appropriations, 1998	\$16,888,000	(\$3,482,000)
Budget estimate, 1999	17,622,000	(3,547,000)
Committee recommendation	16,615,000	(3,482,000)

RURAL ECONOMIC DEVELOPMENT LOANS PROGRAM ACCOUNT

	Fiscal year—		Committee rec- ommendation
	1998 level	1999 request	
Estimated loan level	(\$25,000,000)	(\$15,000,000)	(23,000,000)
Direct loan subsidy	5,978,000	¹ 3,783,000	5,801,000

¹ Up to \$3,783,000 to be derived by transfer from interest on the cushion of credit payments, as authorized by section 313 of the Rural Electrification Act of 1936.

The rural economic development loans program was established by the Reconciliation Act of December 1987 (Public Law 100–203), which amended the Rural Electrification Act of 1936, by establishing a new section 313. This section of the Rural Electrification Act (7 U.S.C. 901) established a cushion of credits payment program and created the rural economic development subaccount. The Administrator of RUS is authorized under the act to utilize funds in this program to provide zero interest loans to electric telecommunications borrowers for the purpose of promoting rural economic development and job creation projects, including funding for feasibility studies, startup costs, and other reasonable expenses for the purpose of fostering rural economic development.

COMMITTEE RECOMMENDATION

The Committee recommends a direct loan subsidy appropriation for rural economic development loans of \$5,801,000. This amount is \$177,000 less than the 1998 level and \$2,018,000 more than the budget request. The budget request proposes \$3,783,000 to be derived by transfer from interest on the cushion of credit payments.

RURAL COOPERATIVE DEVELOPMENT GRANTS

Appropriations, 1998	\$3,000,000
Budget estimate, 1999	5,700,000
Committee recommendation	3,000,000

Rural cooperative development grants are authorized under section 310B(e) of the Consolidated Farm and Rural Development Act, as amended. Grants are made to fund the establishment and operation centers for rural cooperative development with their primary purpose being the improvement of economic conditions in rural areas. Grants may be made to nonprofit institutions or institutions of higher education. Grants may be used to pay up to 75 percent of the cost of the project and associated administrative costs. The applicant must contribute at least 25 percent from non-Federal sources. Grants are competitive and are awarded based on specific selection criteria.

COMMITTEE RECOMMENDATIONS

The Committee recommends \$3,000,000 for rural cooperative development grants. This is the same amount as the 1998 level and \$2,700,000 less than the budget request.

The Committee is aware of and encourages the Department to consider the following applications for cooperative development grants: Natural Agricultural Products Cooperative, Vermont; cultural and heritage tourism in Alaska; and the America's Agricultural Heritage Partnership, Iowa.

Of the funds provided for rural cooperative development grants, \$1,300,000 is provided for a cooperative agreement for the Appropriate Technology Transfer for Rural Areas Program; and \$250,000 is for a cooperative agreement for an agribusiness and cooperative development program at Mississippi State University. Further, the Committee strongly encourages the Department to make available \$300,000 for a project on agricultural diversification to be conducted by the Jefferson Institute, Missouri, and consider an application for the Pennsylvania Cooperative Development Center.

SALARIES AND EXPENSES

	Appropriation	Transfer from loan accounts	Total, RBS, salaries and expenses
Appropriations, 1998	\$25,680,000	(\$3,482,000)	(\$29,162,000)
Budget estimate, 1999	26,396,000	(3,547,000)	(29,943,000)
Committee recommendation	25,680,000	(3,482,000)	(29,162,000)

These funds are used to administer the loan and grant programs of the Rural Business-Cooperative Service including reviewing applications, making and collecting loans, and providing technical as-

sistance and guidance to borrowers; and to assist in extending other Federal programs to people in rural areas.

COMMITTEE RECOMMENDATIONS

The Committee recommends \$29,162,000 for salaries and expenses of the Rural Business-Cooperative Service. This is the same as the 1998 level and \$781,000 less than the budget request.

The Committee recommends continued staffing and operations of the cooperative services office in Hilo, HI, to address the increasing demand for cooperatives by the rapidly expanding diversified agriculture sector in Hawaii.

ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION CORPORATION REVOLVING FUND

Appropriations, 1998	\$7,000,000
Budget estimate, 1999	10,000,000
Committee recommendation	7,000,000

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

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$7,000,000 to the Alternative Agricultural Research and Commercialization Corporation Revolving Fund. This is the same as the fiscal year 1998 level and \$3,000,000 less than the budget request.

RURAL UTILITIES SERVICE

The Rural Utilities Service [RUS] was established under the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994 (Public Law 103-354), October 13, 1994. RUS administers the electric and telephone programs of the former Rural Electrification Administration and the water and waste programs of the former Rural Development Administration.

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

RURAL ELECTRIFICATION AND TELECOMMUNICATIONS LOANS PROGRAM
ACCOUNT

ESTIMATED LOAN LEVEL

Loan level, 1998	(\$1,420,000,000)
Budget estimate, 1999	(1,075,000,000)
Committee allowance	(1,511,500,000)

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

COMMITTEE RECOMMENDATIONS

The following table reflects the Committee's recommended loan levels for the "Rural electrification and telecommunications loans program" account, as compared to the fiscal year 1998 and budget request levels:

[In thousands of dollars]

	Fiscal year—		Committee recommendation
	1998 level	1999 request	
Loan authorizations:			
Direct loans:			
Electric 5 percent	(125,000)	(55,000)	(71,500)
Telecommunications 5 percent	(75,000)	(50,000)	(75,000)
Subtotal	(200,000)	(105,000)	(146,500)
Treasury rate: Telecommunications	(300,000)	(300,000)	(250,000)
Muni-rate: Electric	(500,000)	(250,000)	(295,000)
FFB loans:			
Electric, regular	(300,000)	(300,000)	(700,000)
Telecommunications	(120,000)	(120,000)	(120,000)
Subtotal	(420,000)	(420,000)	(820,000)
Total, loan authorizations	(1,420,000)	(1,075,000)	(1,511,500)

The Committee recommends budget authority to support an estimated \$1,066,500,000 program level for electric loans, \$141,500,000 more than fiscal year 1998. In order to maintain this level, the Committee has increased the amount for FFB lending activities since changes in subsidy rates have limited resources for 5 percent and municipal rate loans.

The Committee recognizes the special needs of some borrowers who are unable to secure financing from the private sector and supports the recommendations of the Department to prioritize limited resource applications following resolution of all other applications on hand. Further, the Committee notes that any greater reliance on private sector financing must be accompanied by reasonable lien accommodations and is encouraged by the Department's recent action to avoid overcollateralization of borrower assets. In order to best meet the needs of all borrowers, the Committee provides program levels adequate to accommodate borrowers most in need and

expects the Department to continue its efforts to provide opportunities for private sector financing.

LOAN SUBSIDY AND ADMINISTRATIVE EXPENSES LEVELS

The Federal Credit Reform Act of 1990 established the program account. An appropriation to this account will be used to cover the lifetime subsidy costs associated with the direct loans obligated and loan guarantees committed in 1999, as well as for administrative expenses.

COMMITTEE RECOMMENDATIONS

The following table presents the Committee's recommendation for the loan subsidy and administrative expenses, as compared to the 1998 level and the budget request:

[In thousands of dollars]

	Fiscal year—		Committee recommendation
	1998 level	1999 request	
Loan subsidies:			
Direct loans:			
Electric 5 percent	9,325	7,172	9,325
Telecommunications 5 percent	2,940	4,895	7,342
Subtotal	12,265	12,067	16,667
Treasury rate: Telecommunications	60	810	675
Muni-rate: Electric	21,100	21,900	25,842
FFB loans: Regular electric	2,760		
Total, loan subsidies	36,185	34,777	43,184
RETLP administrative expenses	29,982	32,000	29,982
Total, "Rural electrification and telecommunications loans program" account	66,167	66,777	73,166
(Loan authorization)	(1,420,000)	(1,075,000)	(1,511,500)

RURAL TELEPHONE BANK PROGRAM ACCOUNT

ESTIMATED LOAN LEVEL

Loan level, 1998	(\$175,000,000)
Budget estimate, 1999	(175,000,000)
Committee recommendation	(140,000,000)

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

The Rural Telephone Bank is managed by a 13-member board of directors. The Administrator of RUS serves as Governor of the Bank until conversion to private ownership, control, and operation. This will take place when 51 percent of the class A stock issued to the United States and outstanding at any time after September 30, 1996, has been fully redeemed and retired. Activities of the

Bank are carried out by RUS employees and the Office of General Counsel of the U.S. Department of Agriculture.

The Federal Credit Reform Act of 1990 established the program account. Appropriations to this account will be used to cover the lifetime subsidy costs associated with the direct loans obligated in 1999, as well as for administrative expenses.

COMMITTEE RECOMMENDATIONS

The following table presents the Committee's recommendations for the direct loan subsidy and administrative expenses, as compared to the 1998 level and the budget request:

LOAN SUBSIDY AND ADMINISTRATIVE EXPENSES LEVELS

	Direct loan subsidy	Administrative expenses
Appropriations, 1998	\$3,710,000	\$3,000,000
Budget estimate, 1999 ¹	4,637,500	3,000,000
Committee recommendation	3,710,000	3,000,000

¹ To be derived by transfer from unobligated balances in the "Rural Telephone Bank liquidating" account.

DISTANCE LEARNING AND TELEMEDICINE PROGRAM

LOANS AND GRANTS

	Fiscal year—		Committee recommendation
	1998 level	1999 request	
Loan authorization	(\$150,000,000)	(\$150,000,000)	(\$150,000,000)
Direct loan subsidy	30,000	180,000	180,000
Grants	12,500,000	15,000,000	12,500,000
Total	12,530,000	15,180,000	12,680,000

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

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

COMMITTEE RECOMMENDATIONS

For the Distance Learning and Telemedicine Program, the Committee recommends \$12,680,000. This is \$150,000 more than the 1998 level and \$2,500,000 less than the budget request.

The Committee is aware of and encourages the Department to give consideration to the following applications: the National Center for American Indian and Alaska Native Mental Health Re-

search Center multistate digital/distance learning project; the distance learning network for schools in Orleans County, VT; the continuing education model distance learning program made up of a consortium of Kansas State University and community colleges in Colby, Dodge City, Garden City, and Liberal, KS; Indiana State University's degree link initiative; a distance learning project for an alliance of the five colleges of technology included in the State University of New York system; and the Alaska Federal Health Care Access Network, a multiagency statewide telemedicine initiative to provide health care services to remote communities on a cost-effective basis by saving unnecessary air transportation costs to urban and regional health care providers.

The Committee is aware of the potential for the distance learning and telemedicine link program of the Maui Community College, the community hospital system, and the nutrition education activities of the University of Hawaii College of Tropical Agriculture and Human Resources. The Committee encourages the Department to fund a demonstration project to build upon existing resources and to further the use of advanced telecommunications by rural communities.

SALARIES AND EXPENSES

	Appropriation	Transfer from loan accounts	Total, RUS, salaries and expenses
Appropriations, 1998	\$33,000,000	(\$32,982,000)	(\$65,982,000)
Budget estimate, 1999	33,445,000	(35,000,000)	(68,445,000)
Committee recommendation	33,000,000	(32,982,000)	(65,982,000)

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

Under credit reform, administrative costs associated with loan programs are appropriated to the program accounts for the agricultural credit insurance fund and the rural housing insurance fund. Appropriations to the "Salaries and expenses" account will be for costs associated with grant programs.

COMMITTEE RECOMMENDATIONS

The Committee recommends \$65,982,000 for salaries and expenses of the Rural Utilities Service. This is the same as the 1998 level and \$2,463,000 less than the budget request.

TITLE IV—DOMESTIC FOOD PROGRAMS

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

Appropriations, 1998	\$554,000
Budget estimate, 1999	573,000
Committee recommendation	554,000

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

COMMITTEE RECOMMENDATIONS

For the Office of the Under Secretary for Food, Nutrition and Consumer Services, the Committee recommends an appropriation of \$554,000. This amount is the same as the 1998 level and \$19,000 less than the budget request.

FOOD AND NUTRITION SERVICE

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

Child nutrition programs.—The national school lunch and school breakfast, summer food service, and child and adult care food programs provide funding to the States, Puerto Rico, the Virgin Islands, and Guam for use in serving nutritious lunches and breakfasts to children attending schools of high school grades and under, to children of preschool age in child care centers, and to children in other institutions in order to improve the health and well-being of the Nation's children, and broaden the markets for agricultural food commodities. Through the special milk program, assistance is provided to the States for making reimbursement payments to eligible schools and child care institutions which institute or expand milk service in order to increase the consumption of fluid milk by children. Funds for this program are provided by direct appropriation and transfer from section 32.

Food Stamp Program.—This program is aimed at making more effective use of the Nation's food supply and at improving nutritional standards of needy persons and families. Assistance is provided to eligible households to enable them to obtain a better diet by increasing their food purchasing capability, usually by furnishing benefits in the form of food stamps. The program also includes nutrition assistance to Puerto Rico. The Omnibus Budget Reconcili-

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

The program also includes the Food Distribution Program on Indian Reservations which provides nutritious agricultural commodities to low-income persons living on or near Indian reservations who choose not to participate in the Food Stamp Program.

Effective October 1, 1997, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193) added section 27 to the Food Stamp Act which provides that \$100,000,000 of food stamp funds be used to purchase commodities for The Emergency Food Assistance Program. Funds for this program are provided by direct appropriation.

Special Supplemental Nutrition Program for Women, Infants, and Children [WIC].—This program safeguards the health of pregnant, post partum, and breast-feeding women, infants, and children up to age 5 who are at nutritional risk because of inadequate nutrition and inadequate income by providing supplemental foods. The delivery of supplemental foods may be done through health clinics, vouchers redeemable at retail food stores, or other approved methods which a cooperating State health agency may select. Funds for this program are provided by direct appropriation.

WIC Farmers Market Nutrition Program.—This program provides (WIC and WIC-eligible) participants with coupons to purchase fresh, nutritious, unprepared food, such as fruits and vegetables, from farmers markets. The program is designed to accomplish two major goals: (1) improve the diets of WIC or WIC-eligible participants; and (2) increase the awareness and use of farmers' markets by low-income households.

Commodity Assistance Program [CAP].—This program provides funding for the Commodity Supplemental Food Program [CSFP] and the Emergency Food Assistance Program [TEFAP].

CSFP provides supplemental foods to infants and children up to age 6, and to pregnant, post partum, and breast-feeding women with low incomes, and who reside in approved project areas. In addition, this program operates commodity distribution projects directed at low-income elderly persons.

TEFAP provides commodities and grant funds to State agencies to assist in the cost of storage and distribution of donated commodities. The Soup Kitchen/Food Bank Program was absorbed into TEFAP under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193), by an amendment to section 201A of the Emergency Food Assistance Act.

Food donations programs for selected groups.—Nutritious agricultural commodities are provided to residents of the Pacific Territory of Palau and Federated States of Micronesia and the Marshall Islands. Cash assistance is provided to distributing agencies to assist them in meeting administrative expenses incurred. Commodities, or cash in lieu of commodities, are provided to assist nutrition programs for the elderly. Funds for this program are provided by direct appropriation.

Food gleaning and recovery.—Under this program, FNS works with States and community-based groups to develop innovative

ways of increasing the gleaning and recovery of wholesome food for human consumption.

Food Program Administration.—All salaries and Federal operating expenses of the Food and Nutrition Service are funded from this account. Also included is the Center for Nutrition Policy and Promotion [CNPP] which oversees improvements in and revisions to the food and guidance systems, and serves as the focal point for advancing and coordinating nutrition promotion and education policy to improve the health of all Americans. As of September 30, 1997, there were 1,612 full-time permanent and 82 part-time and temporary employees in the agency. FNS's headquarters staff, which is located in Alexandria VA, totals 585, and 1,109 FNS employees are located in the field. There are 7 regional offices employing 816 employees, and the balance of the agency is located in 6 food stamp compliance offices, 1 computer support center in Minneapolis, MN, 1 administrative review office, and 70 field offices. Funds for this program are provided by direct appropriation.

CHILD NUTRITION PROGRAMS

	Appropriation	Section 32 transfers	Total
Appropriations, 1998	\$2,616,425,000	(\$5,151,391,000)	(\$7,767,816,000)
Budget estimate, 1999	3,897,703,000	(5,332,194,000)	(9,229,897,000)
Committee recommendation	4,171,747,000	(5,048,150,000)	(9,219,897,000)

The child nutrition programs, authorized by the National School Lunch Act and the Child Nutrition Act of 1966, provide Federal assistance to State agencies in the form of cash and commodities for use in preparing and serving nutritious meals to children while they are attending school, residing in service institutions, or participating in other organized activities away from home. The purpose of this program is to help maintain the health and proper physical development of America's children. Milk is provided to children either free or at a low cost depending on their family income level. FNS provides cash subsidies to States administering the programs and directly administers the program in the States which choose not to do so. Grants are also made for nutritional training and surveys and for State administrative expenses. Under current law, most of these payments are made on the basis of reimbursement rates established by law and applied to lunches and breakfasts actually served by the States. The reimbursement rates are adjusted annually to reflect changes in the Consumer Price Index for food away from home.

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

Summer Food Service Program [SFSP].—Reauthorizes and expands SFSP to private, nonprofit organizations under certain conditions.

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

National School Lunch Program [NSLP].—(1) Mandates a unified system for compliance and accountability to integrate Federal and State efforts and provide for increased Federal monitoring of SFSP operations; and (2) authorizes the Food Service Management Institute to improve school food service operations.

Nutrition education and training [NET].—Requires demonstration projects and studies to examine a number of program issues. This information aids in making informed decisions and improving program operations. Public Law 95–166 institutes a program of grants to the States for nutrition education in schools.

A description of child nutrition programs follows:

1. *Cash payments to States.*—The programs are operated under an agreement entered into by the State agencies and the Department. Funds are made available under letters of credit to State agencies for use in reimbursing participating schools and other institutions. Sponsors make application to the State agencies, and if approved, are reimbursed on a per-meal basis in accordance with the terms of their agreements and rates prescribed by law. The reimbursement rates are adjusted annually to reflect changes in the Consumer Price Index for food away from home.

(a) *School Lunch Program.*—Assistance is provided to the States for the service of lunches to all school children, regardless of family income. States must match some of the Federal cash grant. In fiscal year 1999, the School Lunch Program will provide assistance for serving an estimated 4.5 billion school lunches including 1.9 billion for children from upper-income families and 2.6 billion for children from lower and low-income families. An estimated 27.2 million children are expected to participate in the program daily during the school year.

(b) *Special assistance for free and reduced-price lunches.*—Additional assistance is provided to the States for serving lunches free or at a reduced price to needy children. In fiscal year 1999, under current law, the program will provide assistance for about 4.5 billion lunches, of which 2.3 billion will be served free of charge and 0.3 billion at reduced price. Over 16 million needy children will participate in the program on an average schoolday during the year.

(c) *School Breakfast Program.*—Federal reimbursement to the States is based on the number of breakfasts served free, at a reduced price, or at the general rate for those served to nonneedy children. Certain schools are designated in severe need because, in the second preceding year, they served at least 40 percent of their lunches at free or reduced prices and because the regular breakfast reimbursement is insufficient to cover cost, receive higher rates of reimbursement in both the free and reduced-price categories. In fiscal year 1999, the program will serve an estimated 1.3 billion breakfasts to a daily average of 7.8 million children.

(d) *State administrative expenses.*—The funds may be used for State employee salaries, benefits, support services, and office equipment. Public Law 95–627 made the State administrative expenses grant equal to 1.5 percent of certain Federal payments in the second previous year. In fiscal year 1999, \$118,074,000 will be allocated among the States to fund ongo-

ing State administrative expenses and to improve the management of various nutrition programs.

(e) *Summer Food Service Program*.—Meals served free to children in low-income neighborhoods during the summer months are supported on a performance basis by Federal cash subsidies to State agencies. Funds are also provided for related State and local administrative expenses. During the summer of 1999, approximately 149.3 million meals will be served.

(f) *Child and Adult Care Food Program*.—Preschool children receive year-round food assistance in nonprofit child care centers and family and group day care homes under this program. Public Law 97–35 permits profitmaking child care centers receiving compensation under title XX of the Social Security Act to participate in the program if 25 percent of the children served are title XX participants. Certain adult day care centers are also eligible for participation in this program, providing subsidized meals to nonimpaired individuals age 60 years or older. The Child and Adult Care Food Program reimburses State agencies at varying rates for breakfasts, lunches, suppers, and meal supplements and for program-related State audit expenses. In fiscal year 1999, approximately 1.6 billion meals will be served.

2. *Commodity procurement*.—Commodities are purchased for distribution to the school lunch, child care food, and summer food service programs. The minimum commodity support rate for all school lunch and child care center lunches and suppers served is mandated by law and adjusted annually on July 1 to reflect changes in the producer price index for food used in schools and institutions. The commodities purchased with these funds are supplemented by commodities purchased with section 32 funds.

3. *Nutrition studies and education*.—

(a) *Nutrition education and training [NET]*.—This program provides funds to State agencies for the development of comprehensive nutrition education and information programs for children participating in or eligible for school lunch and related child nutrition programs.

(b) *National Food Service Management Institute [NFSMI]*.—The National Food Service Management Institute provides instruction for educators and school food service personnel in nutrition and food service management.

4. *Special milk*.—In fiscal year 1999, approximately 144 million half-pints will be served in the Special Milk Program. These include about 135 million half-pints served to children whose family income is above 130 percent of poverty. During fiscal year 1999, the average full cost reimbursement for milk served to needy children is expected to be 15.9 cents for each half-pint. Milk served to nonneedy children is expected to be reimbursed at 12.4 cents for each half-pint.

COMMITTEE RECOMMENDATIONS

For the child nutrition programs, the Committee recommends an appropriation of \$4,171,747,000, plus transfers from section 32 of \$5,048,150,000, for a total program of \$9,219,897,000. This amount

is \$1,452,081,000 more than the 1998 program level and \$10,000,000 less than the budget request.

The Committee's recommendation provides for the following annual rates for the child nutrition programs.

TOTAL OBLIGATIONAL AUTHORITY

[In thousands of dollars]

Child nutrition programs	1998 estimate	1999 budget	Committee recommendation
School Lunch Program	¹ 4,174,990	5,384,452	5,384,452
School Breakfast Program	1,306,550	1,396,955	1,396,955
State administrative expenses	109,024	118,074	118,074
Summer Food Service Program	272,272	294,414	294,414
Child and Adult Care Food Program	1,519,812	1,611,520	1,611,520
Special Milk Program	18,155	18,055	18,055
Commodity procurement, processing, and computer support	347,911	377,127	377,127
Nutrition studies and surveys .....	.....	3,000	3,000
Coordinated review system	4,124	4,300	4,300
School meals initiative	8,000	10,000	10,000
Food safety education .....	.....	2,000	2,000
Nutrition education and training	3,750	10,000	.....

¹ Excludes transfer of \$315,000,000 from the Food Stamp Program.

The total includes \$10,000,000 for the school meals initiative. Included in this amount is a minimum of \$4,100,000 for food service training and technical assistance, of which \$3,200,000 is for technical assistance materials, \$400,000 is for print and electronic food service resource systems, and \$500,000 is for cooperative agreements with the National Food Service Management Institute for food service; and \$4,000,000 for food service training grants to States. The Committee also expects FNS to utilize the Food Service Management Institute to carry out the food safety education program.

SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN [WIC]

Appropriations, 1998 ¹	\$3,924,000,000
Budget estimate, 1999 ²	4,081,000,000
Committee recommendation	3,924,000,000

¹ Includes up to \$12,000,000 for the WIC Farmers Market Nutrition Program.

² Includes a proposed contingency reserve of \$20,000,000, and does not include funding for the WIC Farmers Market Nutrition Program which the budget proposes to fund under the "Commodity Assistance Program" account.

The special supplemental nutrition program for women, infants, and children [WIC] is authorized by section 17 of the Child Nutrition Act of 1966. Its purpose is to safeguard the health of pregnant, breast-feeding and post partum women and infants, and children up to age 5 who are at nutritional risk because of inadequate nutrition and inadequate income. The budget estimate assumes an average monthly participation of 7.5 million participants at an average food cost of \$32.92 per person per month in fiscal year 1999.

The WIC program food packages are designed to provide foods which studies have demonstrated are lacking in the diets of the WIC program target population. The authorized supplemental

foods are iron-fortified breakfast cereal, fruit or vegetable juice which contains vitamin C, dry beans, peas, and peanut butter.

There are three general types of delivery systems for WIC foods: (1) retail purchase in which participants obtain supplemental foods through retail stores; (2) home delivery systems in which food is delivered to the participant's home; and (3) direct distribution systems in which participants pick up food from a distribution outlet. The food is free of charge to all participants.

The Child Nutrition and WIC Reauthorization Act of 1989, Public Law 101-147, reauthorized and added several provisions to the program. For example, the act requires State agencies with a retail food delivery system to use a competitive bidding system or a system with equal savings for the procurement of infant formula. Savings are to be used to expand program participation. In addition, the act permits States with an approved cost containment system to use first quarter funds to cover obligations incurred during the fourth quarter of the preceding fiscal year.

Public Law 101-147 changed the administrative formula for State program administrative costs from 20 percent of total available funds to a national monthly per person administrative grant. In addition, Public Law 101-147 makes one-half of 1 percent of program funds, not to exceed \$3,495,000, for evaluation of program performance. These evaluations are to be determined by the Secretary of Agriculture.

The WIC Farmers' Market Nutrition Program [FMNP] is also funded from the WIC appropriation. FMNP is designed to accomplish two major goals: (1) to improve the diets of WIC (or WIC-eligible) participants by providing them with coupons to purchase fresh, nutritious, unprepared food, such as fruits and vegetables, from farmers markets; and (2) to increase the awareness and use of farmers' markets by low-income households. Although directly related to the WIC Program, about one-half of the current FMNP operations are administered by State departments of agriculture rather than the State WIC agencies.

COMMITTEE RECOMMENDATIONS

For the Special Supplemental Food Program for Women, Infants, and Children [WIC], the Committee recommends an appropriation of \$3,924,000,000. This amount is the same as the 1998 appropriation and \$157,000,000 less than the budget request. The Committee does not provide the \$20,000,000 included in the budget request to create a program contingency reserve.

The WIC Program continues to be a high priority of this Committee. The appropriation recommended by the Committee, together with anticipated carryover funds, will provide sufficient funding to maintain current WIC participation levels in fiscal year 1999.

The Committee makes available up to \$15,000,000, \$3,000,000 more than the fiscal year 1998 level, to carry out the WIC Farmers' Market Nutrition Program. This is the same as the budget request level.

The Committee has not included in the bill language carried for the past 2 years regarding competitive bidding systems used by State agencies to procure infant formula, or to give the Secretary of Agriculture discretionary authority over the allocation of WIC

funds, as requested in the budget. These matters are expected to be addressed on a permanent basis in the reauthorization of the Child Nutrition and WIC Programs.

The Committee expects the Department, in its review of State plans of operation and administration, to ensure that cost containment activities do not erode the nutrition benefits of the WIC Program. If this appears to be a potential problem, the Committee encourages the Department to undertake a study on this issue. The Department is to apprise the Committee by January 31, 1999, if such study is necessary.

FOOD STAMP PROGRAM

	Expenses	Amount in reserve	Puerto Rico	TEFAP commodity purchases	Total
Appropriations, 1998	\$23,736,479,000	\$100,000,000	\$1,204,000,000	\$100,000,000	\$25,140,479,000
Budget estimate, 1999	22,365,806,000	1,000,000,000	1,236,000,000	100,000,000	24,701,806,000
Committee recommendation	22,365,806,000	100,000,000	1,236,000,000	80,000,000	23,781,806,000

The Food Stamp Program, authorized by the Food Stamp Act of 1964, attempts to alleviate hunger and malnutrition among low-income persons by increasing their food purchasing power. Eligible households receive food stamps with which they can purchase food through regular retail stores. They are thus enabled to obtain a more nutritious diet than would be possible without food stamp assistance. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, reauthorizes the Food Stamp Program through fiscal year 2002.

The Food Stamp Program is currently in operation in all 50 States, the District of Columbia, the Virgin Islands, and Guam. Participating households receive food stamps, the value of which is determined by household size and income. The cost of the stamps is paid by the Federal Government and is called the benefit cost. As required by law, the Food and Nutrition Service periodically revises household stamp allotments to reflect changes in the cost of the thrifty food plan. The last revision was made on October 1, 1995.

Since March 1975, food stamp projects have been established throughout the country. State social service agencies assume responsibility for certifying eligible households and issuing the stamps through suitable outlets. Authorized grocery stores accept the stamps as payment for food purchases and forward them to commercial banks for cash or credit. The stamps flow through the banking system to the Federal Reserve Bank for redemption out of a special account maintained by the U.S. Treasury Department. The major alternative to the paper food stamp system is electronic benefit transfer [EBT].

By the end of fiscal year 1997, 25 States had operating EBT systems. They are Alabama, Colorado, Connecticut, Georgia, Kansas, Idaho, Illinois, Iowa, Louisiana, Maryland, Massachusetts, Minnesota, Missouri, New Jersey, New Mexico, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, South Dakota, Texas, Utah, and Wyoming. Eight of those were statewide: Kansas, Maryland, New Mexico, North Dakota, South Carolina, South Da-

kota, Texas, and Utah. All other States are in some stage of planning or implementing their EBT systems.

Nutrition assistance to Puerto Rico.—The Omnibus Budget Reconciliation Act of 1981, Public Law 97–35, authorized a block grant for nutrition assistance to Puerto Rico which gives the commonwealth broad flexibility to establish a food assistance program that is specifically tailored to the needs of its low-income households. However, the commonwealth must submit its annual plan of operation to the Secretary for approval. The FAIR Act of 1996, Public Law 104–127, enacted November 5, 1990, reauthorizes appropriations through fiscal year 2002. In addition to the provision of direct benefits to the needy, a portion of the grant may be used to fund up to 50 percent of the cost of administering the program. The grant may also be used to fund projects to improve agriculture and food distribution in Puerto Rico.

The program also includes the Food Distribution Program on Indian Reservations which provides nutritious agricultural commodities to low-income persons living on or near Indian reservations who choose not to participate in the Food Stamp Program.

Effective October 1, 1997, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193) added section 27 to the Food Stamp Act which provides that \$100,000,000 of food stamp funds be used to purchase commodities for the Emergency Food Assistance Program.

Administrative costs.—All direct and indirect administrative costs incurred for certification of households, issuance of food coupons, quality control, outreach, and fair hearing efforts are shared by the Federal Government and the States on a 50–50 basis. Under the Hunger Prevention Act of 1988, a State agency is held liable if its error rate of overissuances exceeds the lowest achieved national error rate average plus 1 percent. Liabilities are based on the level of State issuance and the extent to which the State's error rate exceeds a tolerance level. State agencies which reduce quality control error rates below 6 percent receive up to a maximum match of 60 percent of their administrative expenses. Also, State agencies are paid up to 100 percent of the costs of administering the program on Indian reservations.

State administration also includes State antifraud activities.—Under the provisions of the Food Stamp Act of 1977, as amended by the Mickey Leland Childhood Hunger Relief Act of 1993, States are eligible to be reimbursed for 50 percent of the costs of their food stamp fraud investigations and prosecutions.

States are required to implement an employment and training program for the purpose of assisting members of households participating in the Food Stamp Program in gaining skills, training, or experience that will increase their ability to obtain regular employment. In fiscal year 1987, the Department of Agriculture implemented a new grant program to States to assist them in providing employment and training services.

COMMITTEE RECOMMENDATIONS

For the Food Stamp Program, the Committee recommends \$23,781,806,000. This is \$1,358,673,000 less than the 1998 level and \$920,000,000 less than the budget request. Of the amount pro-

vided, \$100,000,000 is made available as a contingency reserve, \$900,000,000 less than the contingency reserve level proposed in the budget and the same as the 1998 level. The Committee recommendation also includes \$5,700,000 for studies and evaluations, as proposed in the budget.

COMMODITY ASSISTANCE PROGRAM

Appropriations, 1998	\$141,000,000
Budget estimate, 1999 ¹	317,081,000
Committee recommendation	141,000,000

¹Includes funding for the Nutrition Program for the Elderly and Pacific Island assistance funded under the "Food donations programs for selected groups" account, and the WIC Farmers Market Nutrition Program funded under the "Special Supplemental Nutrition Program for Women, Infants, and Children [WIC]" account. Also includes \$20,000,000 for a proposed new Food Gleaning and Recovery Program.

The Commodity Assistance Program includes funding for the Commodity Supplemental Food Program and the Emergency Food Assistance Program. Beginning in fiscal year 1999, the President proposes to consolidate the Nutrition Program for the Elderly, Pacific Island assistance, and the WIC Farmers Market Nutrition Program into the program.

The Commodity Supplemental Food Program [CSFP].—Authorized by section 4(a) of the Agricultural and Consumer Protection Act of 1973, as amended in 1981 by Public Law 97–98, this program provides supplemental food to infants and children up to age 6, and to pregnant, post partum, and breast-feeding women who have low incomes, and reside in approved project areas. In addition, the program operates commodity distribution projects directed at low-income elderly persons 60 years of age or older.

In fiscal year 1999 approximately 134,700 women, infants, and young children and 263,220 elderly are authorized to receive food packages each month. The foods are provided by the Department of Agriculture for distribution through State agencies. The authorized commodities are iron-fortified infant formula, rice cereal, canned juice, evaporated milk and/or nonfat dry milk, canned vegetables or fruits, canned meat or poultry, egg mix, dehydrated potatoes, farina, and peanut butter or dry beans. Elderly participants may receive all commodities except iron-fortified infant formula and rice cereal.

The 1996 FAIR Act, Public Law 104–127, reauthorizes the program through fiscal year 2002.

Food gleaning and recovery.—Under this program, FNS works with States and community-based groups to develop innovative ways of increasing the gleaning and recovery of wholesome food for human consumption.

The Emergency Food Assistance Program [TEFAP].—Title II of Public Law 98–8, enacted March 3, 1983, authorized and appropriated funds for the costs of intrastate storage and transportation of CCC-donated commodities. In fiscal year 1998, \$45,000,000 was provided for the purchase and distribution of commodities authorized by section 104 of the Hunger Prevention Act of 1988. Under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193), the Soup Kitchen/Food Bank Program was absorbed into TEFAP by amending section 201A of the Emergency Food Assistance Act. While commodities will not be

purchased specifically for soup kitchens and food banks, they will be eligible to receive commodities through TEFAP.

Funds are administered by FNS through grants to State agencies which operate commodity distribution programs. Allocation of the funds to States is based on a formula which considers the States' unemployment rate and the number of persons with income below the poverty level.

In fiscal year 1997, 29,500,000 dollars' worth of surplus commodities were distributed to assist needy individuals. Donations will continue in fiscal year 1998. Precise levels depend upon the availability of surplus commodities and requirements regarding displacement. In fiscal year 1999, \$45,000,000 will be used to help State and local authorities with the storage and distribution costs of providing surplus commodities to needy individuals. Although the \$45,000,000 was allocated to each State in the form of administrative funds, each State is authorized to redirect funding for the purchase of additional commodities.

The 1996 FAIR Act reauthorizes administrative funding through fiscal year 2002 and allows these funds to be used for local repackaging and further processing of commodities high in nutrient content. The law requires CCC bonus commodities to be distributed through TEFAP, and reauthorizes funding for the purchase of TEFAP commodities.

COMMITTEE RECOMMENDATIONS

For the Commodity Assistance Program, the Committee recommends an appropriation of \$141,000,000. This amount is the same as the 1998 appropriation and \$176,081,000 less than the budget request.

The Committee understands that available carryover balances of fiscal year 1998 funds provided for the Commodity Supplemental Food Program may be \$10,000,000 higher than anticipated in the budget and expects these additional funds to be applied to other program needs funded under this account. The Committee continues to encourage the Department to distribute Commodity Assistance Program funds equitably among the States, based on an assessment of the needs and priorities of each State and the State's preference to receive commodity allocations through each of the three programs funded under this account.

Due to spending limitations, the Committee does not provide the \$20,000,000 proposed in the budget to initiate a Food Gleaning and Recovery Program.

FOOD DONATIONS PROGRAMS FOR SELECTED GROUPS

Appropriations, 1998	\$141,165,000
Budget estimate, 1999	(¹)
Committee recommendation	141,081,000

¹ Proposed to be funded under the "Commodity Assistance Program" account.

Nutrition Program for the Elderly.—Commodity support for the Nutrition Program for the Elderly is authorized by titles III and VI of the Older Americans Act of 1965. The foods provided are used in preparing meals which are served in senior citizen centers and similar settings or delivered to the homebound elderly. These meals are the focal point of the nutrition projects for the elderly which

have the dual objective of promoting better health and reducing the isolation of old age.

Currently, commodities or cash in lieu of commodities are distributed through State agencies to the local meal sites at a specific rate per meal set by law. The estimated rate for 1998 is 56.07 cents per meal. Some States elect to take all of their subsidy in cash and some States choose to receive a combination of cash and commodities. The commodities made available to the Nutrition Program for the Elderly are generally the same as those provided to schools under the child nutrition programs.

Pacific Island assistance.—This program provides funding for a food distribution program for low-income individuals in the Pacific Island territories. Nutritious agricultural commodities are provided to low-income households in an attempt to alleviate hunger and malnutrition among eligible participants.

COMMITTEE RECOMMENDATIONS

For the food donations programs for selected groups, the Committee recommends \$141,081,000. This amount is \$84,000 less than the 1998 appropriation and the same as the levels requested in the budget for these programs under the Commodity Assistance Program. Of the amount recommended by the Committee, \$1,081,000 is for food distribution payments to the Pacific Islands and \$140,000,000 is for the elderly feeding program.

FOOD PROGRAM ADMINISTRATION

Appropriations, 1998 ¹	\$107,505,000
Budget estimate, 1999	111,848,000
Committee recommendation	109,069,000

¹ Reflects enacted rescission of \$114,000 (Public Law 105-174).

The Food Program Administration appropriation provides for all of the Federal operating expenses of the Food and Nutrition Service, which includes the child nutrition programs; Special Milk Program; Special Supplemental Nutrition Program for Women, Infants, and Children [WIC]; Food Stamp Program; nutrition assistance for Puerto Rico; and the Commodity Assistance Program, including the Commodity Supplemental Food Program, the Emergency Food Assistance Program, the Nutrition Program for the Elderly, Pacific Island assistance, and the WIC Farmers Market Nutrition Program.

The major objective of Food Program Administration is to efficiently and effectively carry out the food assistance programs mandated by law. This is to be accomplished by the following: (1) giving clear and consistent guidance and supervision to State agencies and other cooperators; (2) assisting the States and other cooperators by providing program, managerial, financial, and other advice and expertise; (3) measuring, reviewing, and analyzing the progress being made toward achieving program objectives; and (4) carrying out regular staff support functions.

COMMITTEE RECOMMENDATIONS

For Food Program Administration, the Committee recommends an appropriation of \$109,069,000. This amount is \$2,779,000 less

than the budget request and \$1,564,000 more than the 1998 level. The Committee's recommendation restores to the base \$114,000 rescinded for fiscal year 1998 and includes the \$1,450,000 requested in the budget for program and financial integrity advancement. The need to strengthen review and oversight of food and nutrition programs and of the State agencies carrying out these programs is clear given the recent findings of the General Accounting Office and USDA's Office of the Inspector General.

TITLE V—FOREIGN ASSISTANCE AND RELATED PROGRAMS

FOREIGN AGRICULTURAL SERVICE AND GENERAL SALES MANAGER

	Appropriations	Transfers from loan accounts	Total
Appropriations, 1998	\$131,295,000	(\$4,266,000)	(\$135,561,000)
Budget estimate, 1999	141,087,000	(4,506,000)	(145,593,000)
Committee recommendation	131,795,000	(4,266,000)	(136,061,000)

The Foreign Agricultural Service [FAS] was established March 10, 1953, by Secretary's Memorandum No. 1320, supplement 1, Public Law 83-690, approved August 28, 1954, transferred the agricultural attachés from the Department of State to the Foreign Agricultural Service.

The Agency maintains a worldwide agricultural intelligence and reporting service to provide U.S. farmers and traders with information on world agricultural production and trade that they can use to adjust to changes in world demand for U.S. agricultural products. This is accomplished through a continuous program of reporting by 62 posts located throughout the world covering some 128 countries.

The Foreign Agricultural Service analyzes agricultural information essential to the assessment of foreign supply and demand conditions in order to provide estimates of the current situation and to forecast the export potential for specific U.S. agricultural commodities. Published economic data about commodities are combined with attaché reports and subjected to analysis through advanced econometric techniques to generate these estimates.

In addition, the Service is now using advanced techniques for identifying, delineating, and assessing the impact of events which may affect the condition and expected production of foreign crops of economic importance to the United States. The crop condition activity relies heavily on computer-aided analysis of satellite, meteorological, agricultural, and related data.

The mission of FAS overseas is to represent U.S. agricultural interests, to promote export of domestic farm products, improve world trade conditions, and report on agricultural production and trade in foreign countries. FAS staff are stationed at 71 offices around the world where they provide expertise in agricultural economics and marketing, as well as provide attaché services.

The Foreign Agricultural Service works in conjunction with market development cooperators, trade associations, State departments of agriculture and their affiliates, and U.S. sales teams to develop foreign markets for U.S. farm products. FAS sponsors overseas trade exhibits to promote U.S. agricultural products, provides information about foreign importers, and performs a wide range of market development activities.

FAS carries out several export assistance programs to counter the adverse effects of unfair trade practices by competitors on U.S. agricultural trade. The Export Enhancement Program uses CCC-owned commodities as export bonuses to provide export enhancements to U.S. producers. The Market Access Program [MAP] conducts both generic and brand-identified promotional programs in conjunction with nonprofit agricultural associations and private firms financed through reimbursable CCC payments.

These programs are supplemented by the Cooperator Program, a joint FAS-nonprofit private trade and producer association partnership program developing strategies for U.S. agriculture export expansion. Through 1997, nonprofit private trade and producer associations have generated an estimated \$1,244,000,000 in contributions to more than match the \$737,000,000 contributed by FAS to finance overseas market promotion activities under the Cooperator Program. In addition, GSM credit guarantee programs play an integral role in the recent progress of American agriculture in the world marketplace.

The Agricultural Trade Act of 1978 includes authority to establish up to 25 agricultural trade offices. Currently, 17 such offices are in operation at key foreign trading centers to assist U.S. exporters, trade groups, and State export marketing officials in trade promotion.

The Service initiates, directs, and coordinates the Department's formulation of trade policies and programs with the goal of maintaining and expanding world markets for U.S. agricultural products. It monitors international compliance with bilateral and multilateral trade agreements. It identifies restrictive tariff and trade practices which act as barriers to the import of U.S. agricultural commodities, then supports negotiations to remove them. It acts to counter and eliminate unfair trade practices by other countries that hinder U.S. agricultural exports to third markets.

FAS also carries out the mission of the former Office of International Cooperation and Development [OICD] to promote U.S. agriculture and to advance the agriculture of developing countries as parts of a complementary global agricultural system capable of providing ample food and fiber for all people. To accomplish this mission, FAS applies USDA policies and U.S. agricultural perspectives in its programs of international agricultural cooperation and development, and in its work with foreign countries, international organizations, U.S. universities and other institutions, agencies of the U.S. Government, and the U.S. private sector.

The General Sales Manager was established pursuant to section 5(f) of the charter of the Commodity Credit Corporation and 15 U.S.C. 714-714p. The funds allocated to the General Sales Manager are used for conducting the following programs: (1) CCC Export Credit Guarantee Program (GSM-102), including supplier credit guarantees and facilities financing guarantees, (2) Intermediate Credit Guarantee Program (GSM-103), (3) Public Law 480, (4) section 416 Overseas Donations Program, (5) Export Enhancement Program, (6) Market Access Program, and (7) programs authorized by the Commodity Credit Corporation Charter Act including barter, export sales of most CCC-owned commodities, export payments,

and other programs as assigned to encourage and enhance the export of U.S. agricultural commodities.

COMMITTEE RECOMMENDATIONS

For the Foreign Agricultural Service, the Committee recommends an appropriation of \$131,795,000. This is \$500,000 more than the 1998 appropriation and \$9,292,000 less than the budget request. The Committee's recommendation does not include the \$4,404,000 provided for fiscal year 1998 by the Department of State in support of the International Cooperative Administrative Support Service [ICASS] Program. The Committee expects that ICASS Program costs will continue to be funded by the Department of State for fiscal year 1999.

The Committee provides \$3,500,000 for the Cochran Fellowship Program and continues funding at the fiscal year 1998 level for the Foreign Market Development Cooperator Program. The Committee expects the FAS to draw on available carryover balances, to the extent feasible, to supplement this funding to maintain support for marketing plan activities under the program. The Committee does not appropriate funds to the FAS for the annual operating costs of the Commodity Credit Corporation [CCC] computer facility, as proposed in the budget. The Committee expects the CCC to continue to reimburse FAS for these costs.

The Committee includes language in the bill to allow the FAS to establish an account of up to \$2,000,000 to manage fluctuations in international currency exchange rates. Exchange rate losses are to be offset from this account and exchange rate gains are to be deposited in the account.

The Committee continues to strongly urge the Secretary to utilize the Dairy Export Incentive Program [DEIP] to the full extent allowed under GATT, and renews its request that the Department submit quarterly reports to the Committee on the progress it is making toward meeting this goal for fiscal year 1999.

The Committee supports continuation of the agricultural information exchange program with Ireland as authorized by section 1420 of the Food Security Act of 1985.

PUBLIC LAW 480

PUBLIC LAW 480 TITLE I PROGRAM ACCOUNT

	Credit level	Loan subsidy	Administrative expenses
Appropriations, 1998	(\$226,900,000)	\$176,596,000	\$1,850,000
Budget estimate, 1999	(102,163,000)	88,667,000	1,938,000
Committee recommendation	(203,475,000)	176,596,000	1,850,000

The Federal Credit Reform Act of 1990 established the program account. Appropriations to this account will be used to cover the lifetime subsidy cost associated with direct loans obligated in 1998 and beyond, as well as for administrative expenses.

Financing sales of agricultural commodities to developing countries and private entities for dollars on credit terms, or for local currencies (including for local currencies on credit terms) for use under section 104; and for furnishing commodities to carry out the Food

for Progress Act of 1985, as amended (title I).—Title I of the act authorizes financing of sales to developing countries for local currencies and for dollars on credit terms. Sales for dollars or local currency may be made to foreign governments. The legislation provides for repayment terms either in local currencies or U.S. dollars on credit terms of up to 30 years, with a grace period of up to 5 years.

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

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

COMMITTEE RECOMMENDATIONS

For Public Law 480, title I, the Committee recommends a program level of \$221,083,000. This amount is \$23,425,000 less than the 1998 level and \$109,525,000 more than the budget request. The corresponding loan levels, subsidies, and administrative expenses are reflected in the table above.

PUBLIC LAW 480 GRANTS ACCOUNT (TITLE I OCEAN FREIGHT DIFFERENTIAL, TITLE II AND TITLE III)

Appropriations, 1998	\$884,608,000
Budget estimate, 1999	876,395,000
Committee recommendation	884,608,000

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

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

Commodities supplied in connection with dispositions abroad (title III).—Commodities are supplied without cost to least developed countries through foreign governments for direct feeding, development of emergency food reserves, or may be sold with the proceeds of such sale used by the recipient country for specific eco-

conomic development purposes. The Commodity Credit Corporation may pay ocean freight on shipments under this title, and may also pay overland transportation costs to a landlocked country, as well as internal distribution costs.

COMMITTEE RECOMMENDATIONS

The following table shows the Committee's recommendations for the Public Law 480 grant account:

PUBLIC LAW 480 GRANT ACCOUNT

	1998 enacted	1999 budget	Committee recommendation
Title I ocean freight differential	\$17,608,000	\$9,395,000	\$17,608,000
Title II commodities supplied in connection with dispositions abroad	837,000,000	837,000,000	837,000,000
Title III commodities supplied in connection with dispositions abroad	30,000,000	30,000,000	30,000,000
Total	884,608,000	876,395,000	884,608,000

Public Law 480, title II.—The Federal Agriculture Improvement and Reform Act of 1996 [FAIR Act], Public Law 104–127, requires that a minimum of 2.025 million metric tons of commodities be provided each fiscal year under title II authority, of which 1.55 million metric tons—three-fourths of the total minimum tonnage—is designated for development programs that address chronic hunger and its root causes in areas with inadequate food security.

The Committee expects USAID's administration of Public Law 480 title II to encourage private voluntary organizations [PVO's], cooperatives, and the World Food Program [WFP] to generate a sufficient volume of proposals to allocate roughly three-fourths of the total title II tonnage funded for fiscal year 1999 for these PVO's, cooperatives, and the WFP for developmental food security programs.

The Committee recognizes the authority of USAID to waive this minimum when this volume of commodities cannot be used effectively and for certain emergencies, but believes this waiver should be used rarely, and only when emergency needs can be weighed against concrete proposals for a fully funded longer-term development program.

Further, the Committee supports the use of title II funds in fiscal year 1999 to continue the fiscal year 1998 level for the orphan feeding program in Haiti.

COMMODITY CREDIT CORPORATION EXPORT LOANS PROGRAM ACCOUNT

(EXPORT CREDIT PROGRAMS, GSM–102 AND GSM–103)

	Guaranteed loan levels	Guaranteed loan subsidy	Administrative expenses
Appropriations, 1998	(\$5,500,000,000)	\$407,631,000	\$3,820,000
Budget estimate, 1999	¹ (4,615,000,000)	¹ 252,500,000	4,085,000
Committee recommendation	¹ (4,615,000,000)	¹ 252,500,000	3,820,000

¹ Fiscal year 1999 estimate. No appropriation required since export credit authorizations are permanent authority.

In 1980, the Commodity Credit Corporation [CCC] instituted the Export Credit Guarantee Program (GSM-102) under its charter authority. With this program, CCC guarantees, for a fee, payments due U.S. exporters under deferred payment sales contracts (up to 36 months) for defaults due to commercial as well as noncommercial risks. The risk to CCC extends from the date of export to the end of the deferred payment period covered in the export sales contract and covers only that portion of the payments agreed to in the assurance agreement. Operation of this program is based on criteria which will assure that it is used only where it is determined that it will develop new market opportunities and maintain and expand existing world markets for U.S. agricultural commodities. The program encourages U.S. financial institutions to provide financing to those areas where the institutions would be unwilling to provide financing in the absence of the CCC guarantees.

In 1986, the Intermediate Export Credit Guarantee Program (GSM-103) was implemented by CCC under its charter authority as required by the Food Security Act of 1985. The program is similar to the Export Credit Guarantee Program (GSM-102), but provides for CCC guarantees to exporters for commodities sold on credit terms in excess of 3 years, but not more than 10 years. The program also provides for adjusting the maximum amount of interest which CCC guarantees to pay under the payment guarantee and permits freight costs to be covered for breeding animals financed under the GSM-102 and GSM-103 programs.

The Federal Credit Reform Act of 1990 establishes the program account. The subsidy costs of the CCC export guarantee programs are exempt from the requirement of advance appropriations of budget authority according to section 504(c)(2) of the Federal Credit Reform Act of 1990, Public Law 101-508. Appropriations to this account will be used for administrative expenses.

TITLE VI—RELATED AGENCIES AND FOOD AND DRUG
ADMINISTRATION

DEPARTMENT OF HEALTH AND HUMAN SERVICES

FOOD AND DRUG ADMINISTRATION

The mission of the Food and Drug Administration [FDA] is to ensure that: (1) food is safe, pure, and wholesome; (2) cosmetics are unadulterated; (3) human and animal drugs, biological products, and therapeutic devices are safe and effective; and (4) radiological products and use procedures do not result in unnecessary exposure to radiation.

Under the foods program, FDA sets food standards; evaluates food additives and packaging for potential health hazards; conducts research to reduce food-borne disease, to determine specific health impacts of hazardous substances in food and to develop methods for detecting them in foods; maintains surveillance over foods through plant inspections, laboratory analyses, and legal action where necessary; and ensures fair and informative labeling and nutrient information.

The drugs program includes the premarket review of human and animal drugs and biological products in order to ensure their safety and efficacy; research to improve the agency's base of scientific knowledge; and the postmarketing monitoring of drug experience. FDA conducts manufacturer inspections and sample examinations to ensure industry compliance. Included under this program activity is the similar regulation of animal devices and feeds, as well as a program to assure the safety of animal-derived human foods.

The devices and radiological products program conducts premarket review and postmarket surveillance of medical devices to assure their safety and efficacy, and sets standards for the manufacture and use of radiological products to protect the public from unnecessary exposure to radiation. FDA monitors experience with medical devices, and conducts inspections of manufacturing plants and tests of radiological products to ensure compliance with regulations and standards; conducts research to improve the agency's base of scientific knowledge; and conducts education programs to promote safe and effective use of devices and radiological products.

For these three major product-oriented programs, the agency utilizes a wide variety of scientific skills to deal with the many types of products regulated and the many scientific decisions FDA must make. These skills range from field investigators, all of whom must have education in the physical or biological sciences, to chemists, microbiologists, engineers, medical officers, and scientists from many other disciplines. Similarly, FDA utilizes a variety of laboratory facilities, both to test products for safety and to conduct the

research necessary to evaluate health hazards and to develop the means to detect product hazards and prevent them.

In addition, the National Center for Toxicological Research in Jefferson, AR, serves as a specialized resource for FDA's other program elements. This facility conducts research to improve the base of scientific knowledge and applied science which the agency uses in conducting its regulatory and consumer protection missions.

SALARIES AND EXPENSES

	Appropriation	Prescription drug user fees	Mammography clinics inspection fees	Total
Appropriations, 1998	\$857,501,000	¹ (\$117,122,000)	(\$13,966,000)	\$988,589,000
Budget estimate, 1999	878,884,000	² (132,273,000)	(14,385,000)	³ 1,025,542,000
Committee recommendation	940,367,000	(132,273,000)	(14,385,000)	1,087,025,000

¹ Reflects additional \$25,918,000 provided by Public Law 105-174.

² Includes \$5,428,000 proposed to be transferred to the "Rental payments (FDA)" account

³ The President's budget assumes that an additional \$127,717,000 in collections will be available to FDA for fiscal year 1999 from proposed new user fees.

COMMITTEE RECOMMENDATIONS

For salaries and expenses, the Committee recommends an appropriation of \$940,367,000. This amount is \$82,866,000 more than the 1998 level and \$61,483,000 more than the budget request. The Committee also recommends \$132,273,000 in Prescription Drug User Fee Act user fee collections, and \$14,385,000 in Mammography Quality Standards Act fee collections, as assumed in the President's budget. These amounts are \$15,151,000 and \$419,000 above the 1998 levels, respectively. The Committee includes bill language which prohibits FDA from developing, establishing, or operating any program of user fees authorized by 31 U.S.C. 9701. The Committee continues its view that legislative proposals to establish new user fees should be submitted for consideration by the appropriate authorizing committees of the Congress and not assumed in the appropriations request until enacted into law.

Due to budgetary constraints, the Committee continues the fiscal year 1998 level of funding for activities of the FDA funded under the "Salaries and expenses" account. The FDA should submit notifications to the Committee in accordance with the Committee's statutory requirements for the reprogramming of funds if reallocations of these resources prove necessary during the course of the fiscal year.

The Committee has included in its recommendation \$82,866,000 for FDA rental payments to the General Services Administration [GSA], the same level as proposed in the budget. The Committee has become concerned that FDA's rent payments are in arrearage and that past administration budgets have failed to request amounts sufficient to fully compensate GSA for space and services received by the agency. The amount provided in this bill will begin to correct the rent payment deficiency and the Committee directs FDA to examine its space utilization requirements to contain these costs.

The Committee intends that the new budget authority provided for rental payments to GSA will be supplemented by Prescription

Drug User Fee Act collections, as proposed in the budget. The agency has indicated to the Committee that the Prescription Drug User Fee Act of 1992 defines expenses associated with the process for the review of human drug applications to include leasing, maintenance, renovation, and repair of facilities. This section of the original act was left intact under provisions of the FDA Modernization Act enacted into law last year, but authorizes the transfer of fees from an account without fiscal year limitation to the appropriation account for salaries and expenses with such fiscal year limitation. It is for this reason the Committee recommends authority for rental payments to the GSA to be paid from FDA's "Salaries and expenses" account.

The Committee shares the administration's goal to protect the lives and health of the Nation's youth by reducing tobacco use by children and adolescents. Funding is provided at the fiscal year 1998 level of \$34,000,000 to continue outreach and enforcement activities initiated by FDA during fiscal year 1998. This funding should be supplanted and augmented by any tobacco settlement funds which become available.

The Committee emphasizes that its action is in no way to be construed as concurring or disagreeing with any court ruling regarding FDA's authority to implement its tobacco rule or the proposed tobacco settlement.

In addition, funding is continued at the fiscal year 1998 level of \$133,335,000 for FDA food safety initiatives. Of the funds available for food safety, FDA's Office of Seafood is to continue to research and develop methods to identify a reference dose and detect the different strains within the various vibrio pathogens, as well as continue research efforts to determine whether there are any risks associated with the consumption of shellfish and other seafood and illnesses from algae blooms, *pfisteria piccida*, and other related toxins.

The Committee encourages the FDA to restore funding to previous year levels to adequately fund the regulatory program for cosmetics in the Center for Food Safety and Applied Nutrition Office of Cosmetics and Colors.

In light of the fact that generic drugs provide important cost benefits to consumers and the Federal Government, the Committee also encourages the FDA to devote additional resources to generic drug reviews in order to address the backlog of applications and provide reviews within the 6-month period required by statute.

The FDA Modernization Act [FDAMA] of 1997 streamlined the regulatory process for approving food contact materials under a premarket notification [PMN] system. The Committee is aware of the need to implement the PMN provisions in order to spur innovative, new and improved food packaging materials that can keep food fresher, safer, and extend its shelf life.

The following table reflects the Committee's recommendations, as compared to the fiscal year 1998 and budget request levels:

FOOD AND DRUG ADMINISTRATION SALARIES AND EXPENSES

[In thousands of dollars]

	Fiscal year—		Committee rec- ommendation
	1998 estimate	1999 request	
Centers and related field activities:			
Foods	203,830	198,611	203,830
Center for Food Safety and Applied Nutrition [CFSAN]	87,599	96,877	87,599
Field activities	116,231	101,734	116,231
(Food safety initiatives)	(120,476)	(118,376)	(120,476)
Human drugs	199,305	178,528	199,305
Center for Drug Evaluation and Research [CDER] ..	127,464	114,384	127,464
Orphan product grants	11,542	11,542	11,542
Field activities	60,299	52,602	60,299
Biologics	96,279	91,428	96,279
Center for Biologics Evaluation and Research [CBER]	78,535	78,386	78,535
Field activities	17,744	13,042	17,744
Animal drugs	41,973	30,584	41,973
Center for Veterinary Medicine [CVM]	29,375	22,064	29,375
Field activities	12,598	8,520	12,598
(Food safety initiatives)	(4,100)	(3,980)	(4,100)
Medical and radiological devices	143,486	103,956	143,486
Center for Devices and Radiological Health [CDRH]	104,311	79,074	104,311
Field activities	39,175	24,882	39,175
National Center for Toxicological Research [NCTR]	31,079	31,579	31,079
(Food safety initiatives)		(500)	
Other activities:			
Office of the Commissioner	11,710	11,910	11,710
Tobacco	34,000	134,000	34,000
Office of Policy	2,867	3,067	2,867
Office of External Affairs	15,061	15,261	15,061
Office of Operations	3,559	3,659	3,559
Office of Management and Systems	39,964	40,284	39,964
Central services	8,533	8,533	8,533
(Food safety initiatives)	(8,759)	(9,759)	(8,759)
Rent and related activities	25,855	27,505	25,855
Rental payments to GSA	¹ (46,294)	¹ (82,866)	82,866
Total, FDA salaries and expenses, new budget author- ity	857,501	878,884	940,367

¹ Appropriated under separate account.

FDA's core mission.—The Committee believes that FDA's first priority must be to ensure timely performance of its core mission. The Federal Food, Drug, and Cosmetic Act requires FDA to conduct various premarket approvals of foods, drugs, and medical devices within prescribed review periods, and to address ancillary matters related to those products. As it has expressed in the past, the Committee is concerned that FDA is not performing its core mission to review applications and petitions within the prescribed statutory review periods.

For example, FDA's average review time for food additive applications in fiscal year 1996 (FDA's most recent numbers) was 32 months, 26 months over the deadline required by law (fiscal year 1998 House Agriculture, Rural Development, Food and Drug Administration, and Related Agencies appropriations hearing record, volume 2, page 434). FDA's average review time from receipt to approval for abbreviated new drug applications in fiscal year 1997 was 25.6 months, 19 months over the deadline required by law (FDA, fiscal year 1999 justification of estimates for Appropriations Committees and performance plan, page 62). FDA's average review time from receipt to approval for new drug applications in fiscal year 1997 was 21.4 months, 15 months over the deadline required by law (FDA, fiscal year 1999 justification of estimates for Appropriations Committees and performance plan, page 62). FDA's average review time from receipt to approval for new animal drug applications in fiscal year 1997 was 16.4 months, 10 months over the deadline required by law (FDA, fiscal year 1999 justification of estimates for Appropriations Committees and performance plan, page 79). FDA's average review time for premarket approval applications in fiscal year 1997 was 207 days, 27 days over the deadline required by law (FDA's fiscal year 1999 justification of estimates for Appropriations Committees and performance plan, page 90).

FDA delays have significant implications for public health. Each FDA delay extends the time it takes for consumers to benefit from new products that provide significant therapeutic benefits. The Committee believes that FDA's statutory obligations to perform its core regulatory activities must remain the agency's top priority.

Food safety and food regulatory activities.—As part of FDA's core mission to protect the public health by ensuring that foods are safe, wholesome, sanitary, and properly labeled, the Committee notes with approval that the Secretary has directed that food safety be given first priority among food regulatory activities of FDA. Continued FDA efforts to enhance food safety are an important part of keeping America's food supply the world's safest. FDA also has extensive food regulatory responsibility regarding activities that are not central to assuring food safety. As long as FDA has a statutory obligation to exercise regulatory control regarding these other important food matters, the Committee expects FDA to fulfill those duties in a timely and appropriate manner. If FDA deems the exercise of any of its regulatory responsibilities as unwarranted, FDA should promptly act to repeal those duties through rulemaking or the proposal of legislation.

The Committee directs FDA to submit by February 1, 1999, a fiscal year 1998 food regulatory report regarding: petitions for rulemaking; applications for certificate of free sale; applications for

temporary marketing permits; generally recognized as safe [GRAS] notifications; referrals from industry self-policing organizations; health claim notification submissions; nutrient content claim notification submissions; requests for advisory opinions; requests for alternative compliance procedures for nutrition labeling; requests for FDA approval of nutrition labeling data bases; and petitions for changes in standard of identity. The report should include the number pending, the number of days pending final action, the number approved and disapproved, the average time for filing until final agency action, and other reasonable measures of agency performance.

The National Center for Food Safety and Technology.—The National Center has established a strong public-private partnership among the FDA, universities, and the food industry over the past 10 years to assist in providing safe technologies in processing and packaging the Nation’s food supply. The Committee expects the FDA to at least maintain the Center’s funding at the fiscal year 1998 level.

Blood and blood product safety.—The Committee is encouraged by the steps taken by the FDA in working with the National Hemophilia Foundation to improve the safety of blood and blood products. Of particular importance are the FDA’s efforts to enhance inspections of blood products manufacturing facilities and enforcement of good manufacturing practices. The Committee, however, remains concerned about our Nation’s ability to respond rapidly and effectively to cases of viral or pathogenic contamination of blood products and, therefore, expects the FDA to work closely with the Centers for Disease Control and Prevention and the Foundation in establishing an ongoing system for timely investigation of and response to incidents of possible transmission of infectious disease. In addition, the Committee directs the FDA to ensure full implementation and oversight of a voluntary patient notification system and expects a progress report on its efforts no later than December 31, 1998.

Over-the-counter sunscreen monograph.—The Committee is concerned with FDA’s lack of progress in implementing a final rule for over-the-counter [OTC] sunscreen drug products. The Committee understands that the final rule is currently being drafted and is scheduled to be published no later than May 21, 1999, the date set by the FDAMA. The Committee expects FDA to meet this deadline.

BUILDINGS AND FACILITIES

Appropriations, 1998	\$21,350,000
Budget estimate, 1999	8,350,000
Committee recommendation	12,350,000

In addition to Washington area laboratories which are in six separate locations, there are 20 laboratories at other locations around the country, including regular field laboratories and specialized facilities, as well as the National Center for Toxicological Research complex. Continued repairs, modifications, and improvements to FDA headquarters and field facilities must be made to preserve the properties, ensure employee safety, meet changing program requirements, and permit the agency to keep its laboratory methods up to date.

COMMITTEE RECOMMENDATIONS

For continued repairs and improvements of FDA buildings and facilities, the Committee recommends \$12,350,000. This amount is \$900,000,000 less than the 1998 appropriation and \$4,000,000 more than the budget request.

The Committee recommendation includes \$4,000,000 to begin construction of phase III of the Arkansas Regional Laboratory for the Office of Regulatory Affairs in Jefferson, AR. This will allow the construction contractor, now on site, to move on to the final phase of the project without interruption.

RENTAL PAYMENTS (FDA)

Appropriations, 1998	\$46,294,000
Budget estimate, 1999 ¹	82,866,000
Committee recommendation	(2)

¹Proposed to be supplemented by the transfer of \$5,428,000 in Prescription Drug User Fee Act [PDUFA] collections.

²Included under "Salaries and expenses" account.

Annual appropriations are made to agencies of the Federal Government to pay the General Services Administration [GSA] fees for rental of space and for related services.

COMMITTEE RECOMMENDATIONS

The Committee does not recommend a separate appropriation for rental payments of the Food and Drug Administration. This is \$82,866,000 less than the budget estimate and \$46,294,000 less than the 1998 level. The full level requested in the budget for rental payments to the GSA is included in the total appropriation recommended by the Committee for FDA salaries and expenses.

DEPARTMENT OF THE TREASURY

FINANCIAL MANAGEMENT SERVICE

PAYMENTS TO THE FARM CREDIT SYSTEM FINANCIAL ASSISTANCE CORPORATION

Appropriations, 1998	\$7,728,000
Budget estimate, 1999	2,565,000
Committee recommendation	2,565,000

The Agricultural Credit Act of 1987 (Public Law 100-233) authorized such sums as necessary to be appropriated to the Secretary of the Treasury for payment to the Farm Credit System Financial Assistance Corporation [FAC]. Treasury payments annually reimburse the Corporation for interest expenses on debt issued by the Corporation, which is authorized to be issued through 1992. Treasury is authorized to pay all or part of FAC interest for the first 10 years on each 15-year debt issuance. Debt proceeds are used to provide assistance to financially troubled Farm Credit System lending institutions. Under the Agricultural Credit Act of 1987, the Farm Credit System's share of interest assessment for FAC debt would increase if the System's retained earnings exceeded 5 percent of its assets. For 1997, 1998, and 1999, the Treasury

portion of interest assessments was estimated at 9, 7, and 2 percent, respectively.

COMMITTEE RECOMMENDATIONS

For interest expenses incurred by the Farm Credit System Financial Assistance Corporation as authorized by the Farm Credit Assistance Board, the Committee recommends \$2,565,000. This is \$5,163,000 less than the 1998 level and the same as the budget estimate.

INDEPENDENT AGENCIES

COMMODITY FUTURES TRADING COMMISSION

Appropriations, 1998	\$58,101,000
Budget estimate, 1999	63,360,000
Committee recommendation	61,000,000

The Commodity Futures Trading Commission [CFTC] was established as an independent agency by the Commodity Futures Trading Commission Act of 1974 (88 Stat. 1389; 7 U.S.C. 4a).

The Commission administers the Commodity Exchange Act, 7 U.S.C. section 1, et seq. The 1974 act brought under Federal regulation futures trading in all goods, articles, services, rights, and interests; commodity options trading; and leverage trading in gold and silver bullion and coins; and otherwise strengthened the regulation of the commodity futures trading industry. It established a comprehensive regulatory structure to oversee the volatile futures trading complex.

The purpose of the Commission is to protect and further the economic utility of futures and commodity options markets by encouraging their efficiency, assuring their integrity, and protecting participants against manipulation, abusive trade practices, fraud, and deceit. The objective is to enable the markets better to serve their designated functions of providing a price discovery mechanism and providing price risk insurance. In properly serving these functions, the futures and commodity options markets contribute toward better production and financial planning, more efficient distribution and consumption, and more economical marketing.

Programs in support of the overall mission include market surveillance analysis and research; registration, audits, and contract markets; enforcement; reparations; proceedings; legal counsel; agency direction; and administrative support services. CFTC activities are carried out in Washington, DC; two regional offices located in Chicago and New York; and smaller offices in Kansas City, Los Angeles, and Minneapolis.

COMMITTEE RECOMMENDATIONS

For the Commodity Futures Trading Commission, the Committee recommends \$61,000,000. The amount provided is \$2,899,000 more than the 1998 appropriation and \$2,360,000 less than the budget request.

Due to fiscal constraints, the Committee is unable to provide the full amount requested for the Commission. The appropriation recommended by the Committee will allow the Commission to main-

tain its current staffing level and meet space rental and other mandatory costs.

FARM CREDIT ADMINISTRATION

REVOLVING FUND FOR ADMINISTRATIVE EXPENSES

Limitations, 1998	(\$34,423,000)
Budget estimate, 1999	
Committee recommendation	

The Farm Credit Administration [FCA] is the independent agency in the executive branch of the Government responsible for the examination and regulation of the banks, associations, and other institutions of the Farm Credit System.

Activities of the Farm Credit Administration include the planning and execution of examinations of Farm Credit System institutions and the preparation of examination reports. FCA also establishes standards, enforces rules and regulations, and approves certain actions of the institutions.

The administration and the institutions under its jurisdiction now operate under authorities contained in the Farm Credit Act of 1971, Public Law 92-181, effective December 10, 1971. Public Law 99-205, effective December 23, 1985, restructured FCA and gave the agency regulatory authorities and enforcement powers.

The act provides for the farmer-owned cooperative system to make sound, adequate, and constructive credit available to farmers and ranchers and their cooperatives, rural residences, and associations and other entities upon which farming operations are dependent, and to modernize existing farm credit law to meet current and future rural credit needs.

The Agricultural Credit Act of 1987 authorized the formation of the Federal Agricultural Mortgage Corporation [FAMC] to operate a secondary market for agricultural and rural housing mortgages. The Farm Credit Administration, under section 8.11 of the Farm Credit Act of 1971, as amended, is assigned the responsibility of regulating this entity and assuring its safe and sound operation.

Expenses of the Farm Credit Administration are paid by assessments collected from the Farm Credit System institutions and by assessments to the Federal Agricultural Mortgage Corporation.

COMMITTEE RECOMMENDATIONS

The Committee recommends no limitation on administrative expenses of the Farm Credit Administration. This is the same as the budget request. A limitation of \$34,423,000 was placed on FCA administrative expenses for fiscal year 1998.

TITLE VII—GENERAL PROVISIONS

Sections 701–721 of the general provisions are essentially the same as those included in the fiscal year 1998 and previous years' appropriations acts.

In addition, the Committee recommends the following provisions:

Section 725 to designate the United States National Rice Germplasm Evaluation and Enhancement Center located in Stuttgart, AR, the Dale Bumpers National Rice Research Center.

Section 726 to allow the Secretary to transfer up to \$26,000,000 in discretionary funds not designated for a specific purpose or a specific location for distribution to or for the benefit of the lower Mississippi Delta region, as defined by Public Law 100–460, the Lower Mississippi Delta Development Act.

Section 727 to prohibit the use of funds provided by the act from being used to pay the salaries and expenses of personnel to carry out section 793 of Public Law 104–127.

Section 728 to prohibit the use of funds provided by the act from being used to pay the salaries and expenses of personnel to enroll more than 140,000 acres in the Wetlands Reserve Program during fiscal year 1999.

Section 729 to limit funds provided by the Food Stamp Act for commodity purchases for The Emergency Food Assistance Program authorized by the Food Stamp Act to \$80,000,000 for fiscal year 1999.

Section 730 to prohibit the use of funds provided by the act from being used to pay the salaries and expenses of personnel to carry out the conservation farm option program authorized by section 335 of Public Law 104–127 for fiscal year 1999.

Section 731 to amend Public Law 102–237 to require the Secretary of Agriculture to initiate a program and take action to prevent inadvertent introduction of the brown tree snake in Hawaii and other parts of the United States.

Section 732 to authorize funds provided for conservation options for Franklin County, MS, to be used for financial and technical assistance.

Section 733 to reinstate the statutory language and regulations in existence prior to the enactment of the Federal Agriculture Improvement and Reform Act of 1996 regarding the definition of rural areas for certain business programs administered by the Rural Business-Cooperative Service and the community facilities programs administered by the Rural Housing Service. The Department of Agriculture is directed to work with the authorizing committees of the House and Senate to develop a definition that accommodates the original intent of the Congress, but does not reduce the number of areas eligible for participation in the two programs.

Section 734 to amend section 306D of the Consolidated Farm and Rural Development Act to authorize \$25,000,000 for Native Alas-

kan villages water and sewer loans and grants and to require non-Federal cost sharing of 25 percent.

Section 735 to prohibit the use of funds provided by the act to the Food and Drug Administration to close or relocate or to plan to close or relocate the FDA Division of Drug Analysis from St. Louis, MO.

Section 736 to prohibit the use of funds by the Department of Agriculture to carry out a commodity purchase program which would prohibit participation by farmer-owned cooperatives.

Section 737 to prohibit the use of appropriated funds to inspect or certify agricultural products unless the Secretary of Agriculture inspects and certifies agricultural processing equipment, and imposes a fee for the inspection and certification, in a manner that is similar to the inspection and certification of agricultural products.

Section 738 to amend the Arms Export Control Act to exempt certain programs of the Department of Agriculture from sanctions provisions relating to prohibitions on credit, credit guarantees, or other financial assistance.

PROGRAM, PROJECT, AND ACTIVITY

During fiscal year 1999, for purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177) or the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987 (Public Law 100-119), the following information provides the definition of the term "program, project, and activity" for departments and agencies under the jurisdiction of the Agriculture, Rural Development, and Related Agencies Subcommittee. The term "program, project, and activity" shall include the most specific level of budget items identified in the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999, the House and Senate Committee reports, and the conference report and accompanying joint explanatory statement of the managers of the committee of conference.

If a sequestration order is necessary, in implementing the Presidential order, departments and agencies shall apply any percentage reduction required for fiscal year 1999 pursuant to the provisions of Public Law 99-177 or Public Law 100-119 to all items specified in the explanatory notes submitted to the Committees on Appropriations of the House and Senate in support of the fiscal year 1999 budget estimates, as amended, for such departments and agencies, as modified by congressional action, and in addition:

For the Agricultural Research Service the definition shall include specific research locations as identified in the explanatory notes and lines of research specifically identified in the reports of the House and Senate Appropriations Committees.

For the Natural Resources Conservation Service the definition shall include individual flood prevention projects as identified in the explanatory notes and individual operational watershed projects as summarized in the notes.

For the Farm Service Agency the definition shall include individual, regional, State, district, and county offices.

COMPLIANCE WITH PARAGRAPH 7, RULE XVI OF THE
STANDING RULES OF THE SENATE

Paragraph 7 of rule XVI requires that Committee reports accompanying general appropriations bills identify each recommended amendment which proposes an item of appropriation which is not made to carry out the provisions of an existing law, a treaty stipulation, or an act or resolution previously passed by the Senate during that session.

The Committee recommends funding for the following programs or activities which currently lack authorization for fiscal year 1998:

Dairy indemnity program;
Section 515 rental housing loans;
Section 538 guaranteed multifamily housing loans;
Child Nutrition Programs;
Special Supplemental Nutrition Program for Women, Infants, and Children;
Farmers Market Nutrition Program;
Nutrition program for the elderly; and
Food assistance for nuclear-affected islands in the Pacific.

COMPLIANCE WITH PARAGRAPH 7(C), RULE XXVI OF THE
STANDING RULES OF THE SENATE

Pursuant to paragraph 7(c) of rule XXVI, the Committee ordered reported en bloc, S. 2159, an original Agriculture, Rural Development, Food and Drug Administration, and Related Agencies appropriations bill, 1999, S. 2160, an original Military Construction appropriations bill, 1999, and an original Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies appropriations bill, 1999 and each subject to amendment and each subject to its budget allocations, by a recorded vote of 27-0, a quorum being present. The vote was as follows:

Yeas	Nays
Chairman Stevens	
Mr. Cochran	
Mr. Domenici	
Mr. Bond	
Mr. Gorton	
Mr. McConnell	
Mr. Burns	
Mr. Shelby	
Mr. Gregg	
Mr. Bennett	
Mr. Campbell	
Mr. Craig	
Mr. Faircloth	
Mrs. Hutchison	
Mr. Byrd	
Mr. Inouye	
Mr. Hollings	
Mr. Leahy	
Mr. Bumpers	
Mr. Lautenberg	

Mr. Harkin
 Ms. Mikulski
 Mr. Reid
 Mr. Kohl
 Mrs. Murray
 Mr. Dorgan
 Mrs. Boxer

COMPLIANCE WITH PARAGRAPH 12, RULE XXVI OF THE
 STANDING RULES OF THE SENATE

Paragraph 12 of rule XXVI requires that Committee reports on a bill or joint resolution repealing or amending any statute or part of any statute include “(a) the text of the statute or part thereof which is proposed to be repealed; and (b) a comparative print of that part of the bill or joint resolution making the amendment and of the statute or part thereof proposed to be amended, showing by stricken-through type and italics, parallel columns, or other appropriate typographical devices the omissions and insertions which would be made by the bill or joint resolution if enacted in the form recommended by the committee.”

In compliance with this rule, the following changes in existing law proposed to be made by the bill are shown as follows: existing law to be omitted is enclosed in black brackets; new matter is printed in Italics; and existing law in which no change is proposed is shown in Roman.

TITLE 7—AGRICULTURE

CHAPTER 17—MISCELLANEOUS MATTERS

§ 426. Predatory and other wild animals; eradication and control; investigations, experiments, and tests by Secretary of Agriculture; cooperation with other agencies

The Secretary of Agriculture is authorized and directed to conduct such investigations, experiments, and tests as he may deem necessary in order to determine, demonstrate, and promulgate the best methods of eradication, suppression, or bringing under control on national forests and other areas of the public domain as well as on State, Territory, or privately owned lands of mountain lions, wolves, coyotes, bobcats, prairie dogs, gophers, ground squirrels, jack rabbits, brown tree snakes, and other animals injurious to agriculture, horticulture, forestry, animal husbandry, wild game animals, fur-bearing animals, and birds, and for the protection of stock and other domestic animals through the suppression of rabies and tularemia in predatory or other wild animals; and to conduct campaigns for the destruction or control of such animals: *Provided*, That in carrying out the provisions of this section the Secretary of Agriculture may cooperate with States, individuals, and public and private agencies, organizations, and institutions.

* * * * *

HISTORICAL AND STATUTORY NOTES

* * * * *

Prevention of Introduction of Brown Tree Snakes to Hawaii From Guam

Pub.L. 102-237, Title X, § 1013(a)-(c), Dec. 13, 1991, 105 Stat. 1901, provided that:

“(a) **In general.**—The Secretary of Agriculture shall, to the extent practicable, take such action as may be necessary to prevent the inadvertent introduction of brown tree snakes into other areas of the United States from Guam.

“(b) **Introduction into Hawaii.**—The Secretary shall initiate a program to prevent the introduction of the brown tree snake into Hawaii from Guam. In carrying out this section, the Secretary shall consider the use of sniffer or tracking dogs, snake traps, and other preventative processes or devices at aircraft and vessel loading facilities on Guam, Hawaii, or intermediate sites serving as transportation points that could result in the introduction of brown tree snakes into Hawaii.

“(c) **Authority.**—The Secretary shall use the authority provided under the Federal Plant Pest Act (7 U.S.C. 150aa et seq.) [section 150aa et seq. of this title] to carry out subsections (a) and (b).”

* * * * *

Section 306D (7 U.S.C. 1926d) of the Consolidated Farm and Rural Development Act is amended as follows:

SEC. 306D. WATER SYSTEMS FOR RURAL AND NATIVE VILLAGES IN ALASKA.

(a) **IN GENERAL.**—The Secretary may make grants to the State of Alaska for the benefit of rural or Native villages in Alaska to provide for the development and construction of water and wastewater systems to improve the health and sanitation conditions in those villages.

(b) **MATCHING FUNDS.**—To be eligible to receive a grant under subsection (a), the State of Alaska shall provide **equal** 25 percent in matching funds from non-Federal sources.

(c) **CONSULTATION WITH THE STATE OF ALASKA.**—The Secretary shall consult with the State of Alaska on a method of prioritizing the allocation of grants under subsection (a) according to the needs of, and relative health and sanitation conditions in, each village.

(d) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to carry out this section **\$15,000,000** \$25,000,000 for each of fiscal years 1996 through 2002.

TITLE 22—FOREIGN RELATIONS AND INTERCOURSE

CHAPTER 39—ARMS EXPORT CONTROL

**SUBCHAPTER X—NUCLEAR NONPROLIFERATION
CONTROLS**

**§ 2799aa-1. Nuclear reprocessing transfers, illegal exports
for nuclear explosive devices, transfers of nuclear
explosive devices, and nuclear detonations**

**(a) Prohibitions on assistance to countries involved in trans-
fer of nuclear reprocessing equipment, materials,
or technology; exceptions; procedures applicable**

(1) * * *

* * * * *

**(b) Prohibitions on assistance to countries involved in
transfer or use of nuclear explosive devices; excep-
tions; procedures applicable**

(1) * * *

* * * * *

(2) The sanctions referred to in paragraph (1) are as follows:

(A) * * *

* * * * *

(D) The United States Government shall deny to that country any credit, credit guarantees, or other financial assistance by any department, agency, or instrumentality of the United States Government, except that the sanction of this subparagraph shall not apply—

(i) to any transaction subject to the reporting requirements of title V of the National Security Act of 1947 [50 U.S.C.A. § 413 et seq.] (relating to congressional oversight of intelligence activities), [or]

(ii) to humanitarian assistance[.], or

(iii) to any credit, credit guarantee, or other financial assistance provided by the Department of Agriculture for the purchase or other provision of food or other agricultural commodities.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1998 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 1999—Continued

Item	1998 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				1998 appropriation	Budget estimate
Office of the Under Secretary for Research, Education and Economics					
Economic Research Service	540,000	560,000	540,000	.....	-20,000
National Agricultural Statistics Service	71,604,000	55,839,000	53,109,000	-18,495,000	-2,730,000
Census of Agriculture	118,048,000	107,190,000	103,964,000	-14,084,000	-3,226,000
Agricultural Research Service	(36,327,000)	(23,741,000)	(23,599,000)	(-12,728,000)	(-142,000)
Buildings and facilities	744,382,000	776,828,000	767,921,000	+23,539,000	+8,907,000
	80,630,000	35,900,000	45,430,000	-35,200,000	+9,530,000
Total, Agricultural Research Service	825,012,000	812,728,000	813,351,000	-11,661,000	+623,000
Cooperative State Research, Education, and Extension Service:					
Research and education activities	431,410,000	412,589,000	434,782,000	+3,372,000	+22,193,000
Native Americans Institutions Endowment Fund	(4,600,000)	(4,600,000)	(4,600,000)	.....	.....
Extension Activities	423,376,000	418,651,000	432,181,000	+8,805,000	+13,530,000
Total, Cooperative State Research, Education, and Extension Service	854,786,000	831,240,000	866,963,000	+12,177,000	+35,723,000
Office of the Assistant Secretary for Marketing and Regulatory Pro- grams	618,000	642,000	618,000	.....	-24,000
Animal and Plant Health Inspection Service:					
Salaries and expenses	425,932,000	417,752,000	424,473,000	-1,459,000	+6,721,000
AQI user fees	(88,000,000)	(100,000,000)	(95,000,000)	(+7,000,000)	(-5,000,000)
Buildings and facilities	4,200,000	5,200,000	4,200,000	.....	-1,000,000
Total, Animal and Plant Health Inspection Service	430,132,000	422,952,000	428,673,000	-1,459,000	+5,721,000

Agricultural Marketing Service:					
Marketing Services	46,567,000	58,469,000	45,567,000	-1,000,000	-12,902,000
New user fees	(4,000,000)	(4,000,000)	(4,000,000)		
(Limitation on administrative expenses, from fees collected)	(59,521,000)	(60,730,000)	(59,521,000)		(-1,209,000)
Funds for strengthening markets, income, and supply (transfer from section 32)	10,690,000	10,998,000	10,998,000	+308,000	
Payments to states and possessions	1,200,000	1,200,000	1,200,000		
Total, Agricultural Marketing Service	58,457,000	70,667,000	57,765,000	-692,000	-12,902,000
Grain Inspection, Packers and Stockyards Administration	25,390,000	11,797,000	26,390,000	+1,000,000	+14,593,000
Inspection and Weighing Services (limitation on administrative expenses, from fees collected)	(43,092,000)	(42,557,000)	(42,557,000)	(-535,000)	
Office of the Under Secretary for Food Safety	446,000	598,000	446,000		-152,000
Food Safety and Inspection Service	588,761,000	149,566,000	605,149,000	+16,388,000	+455,583,000
Lab accreditation fees ¹	(1,000,000)	(1,000,000)	(1,000,000)		
Total, Production, Processing, and Marketing	3,291,760,000	2,840,480,000	3,279,614,000	-12,146,000	+439,134,000
Farm Assistance Programs					
Office of the Under Secretary for Farm and Foreign Agricultural Services ..	572,000	597,000	572,000		-25,000
Farm Service Agency:					
Salaries and expenses	699,579,000	723,478,000	710,842,000	+11,263,000	-12,636,000
(Transfer from export loans)	(589,000)	(672,000)	(589,000)		(-83,000)
(Transfer from Public Law 480)	(815,000)	(845,000)	(815,000)		(-30,000)
(Transfer from ACIF)	(209,861,000)	(227,673,000)	(209,861,000)		(-17,812,000)
Total, salaries and expenses	(910,844,000)	(952,668,000)	(922,107,000)	(+11,263,000)	(-30,561,000)
State mediation grants	2,000,000	4,000,000	2,000,000		-2,000,000
Dairy indemnity program	550,000	450,000	450,000	-100,000	
Total, Farm Service Agency	702,129,000	727,928,000	713,292,000	+11,163,000	-14,636,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1998 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1999—Continued

Item	1998 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				1998 appropriation	Budget estimate
Agricultural Credit Insurance Fund Program Account:					
Loan authorizations:					
Farm ownership loans:					
Direct	(78,320,000)	(85,000,000)	(63,872,000)	(-14,448,000)	(-21,128,000)
Guaranteed	(425,000,000)	(425,031,000)	(425,000,000)	.....	(-31,000)
Subtotal	(503,320,000)	(510,031,000)	(488,872,000)	(-14,448,000)	(-21,159,000)
Farm operating loans:					
Direct	(565,000,000)	(500,000,000)	(560,472,000)	(-4,528,000)	(+60,472,000)
Guaranteed unsubsidized	(992,906,000)	(1,700,000,000)	(992,906,000)	.....	(-707,094,000)
Guaranteed subsidized	(235,000,000)	(200,000,000)	(235,000,000)	.....	(+35,000,000)
Subtotal	(1,792,906,000)	(2,400,000,000)	(1,788,378,000)	(-4,528,000)	(-611,622,000)
Indian tribe land acquisition loans	(1,000,000)	(1,003,000)	(1,000,000)	.....	(-3,000)
Emergency disaster loans	(25,000,000)	(25,000,000)	(25,000,000)	.....	.....
Boll weevil eradication loans	(53,467,000)	(30,000,000)	(40,000,000)	(-13,467,000)	(+10,000,000)
Credit sales of acquired property	(25,000,000)	(25,000,000)	(25,000,000)	.....	.....
Total, Loan authorizations	(2,400,693,000)	(2,991,034,000)	(2,368,250,000)	(-32,443,000)	(-622,784,000)
Loan subsidies:					
Farm ownership loans:					
Direct	8,329,000	12,725,000	9,562,000	+1,233,000	-3,163,000
Guaranteed	16,407,000	6,758,000	6,758,000	-9,649,000	.....
Subtotal	24,736,000	19,483,000	16,320,000	-8,416,000	-3,163,000
Farm operating loans:					
Direct	36,823,000	34,150,000	38,280,000	+1,457,000	+4,130,000

Guaranteed unsubsidized	11,617,000	19,720,000	11,518,000	-99,000	-8,202,000
Guaranteed subsidized	22,654,000	17,480,000	20,539,000	-2,115,000	+3,059,000
Subtotal	71,094,000	71,350,000	70,337,000	-757,000	-1,013,000
Indian tribe land acquisition	132,000	153,000	153,000	+21,000	.....
Emergency disaster loans	6,008,000	5,900,000	5,900,000	-108,000	.....
Boil weevil loans subsidy	472,000	432,000	576,000	+104,000	+144,000
Credit sales of acquired property	3,255,000	3,260,000	3,260,000	+5,000	.....
Total, Loan subsidies	105,697,000	100,578,000	96,546,000	-9,151,000	-4,032,000
ACIF expenses:					
Salaries and expense (transfer to FSA)	209,861,000	227,673,000	209,861,000	.....	-17,812,000
Administrative expenses	10,000,000	10,000,000	10,000,000	.....	.....
Total, ACIF expenses	219,861,000	237,673,000	219,861,000	.....	-17,812,000
Total, Agricultural Credit Insurance Fund	325,558,000	338,251,000	316,407,000	-9,151,000	-21,844,000
(Loan authorization)	(2,400,693,000)	(2,991,034,000)	(2,368,250,000)	(-32,443,000)	(-622,784,000)
Total, Farm Service Agency	1,027,687,000	1,066,179,000	1,029,699,000	+2,012,000	-36,480,000
Risk Management Agency:					
Administrative and operating expenses	64,000,000	66,000,000	64,000,000	.....	-2,000,000
Sales commission of agents	188,571,000	.....	.....	-188,571,000	.....
Total, Risk Management Agency	252,571,000	66,000,000	64,000,000	-188,571,000	-2,000,000
Total, Farm Assistance Programs	1,280,830,000	1,132,776,000	1,094,271,000	-186,559,000	-38,505,000
Corporations					
Federal Crop Insurance Corporation: Federal Crop Insurance Corporation fund	1,584,135,000	1,504,036,000	1,504,036,000	-80,099,000	.....
Commodity Credit Corporation Fund:					
Reimbursement for net realized losses	783,507,000	8,439,000,000	8,439,000,000	+7,655,493,000	.....

Rural Housing Service:			
Rural Housing Insurance Fund Program Account:			
Loan authorizations:			
Single family (sec. 502)	(1,000,000,000)	(1,000,000,000)	(1,000,000,000)
Unsubsidized guaranteed	(3,000,000,000)	(3,000,000,000)	(3,000,000,000)
Housing repair (sec. 504)	(30,000,000)	(30,000,000)	(30,000,000)
Farm labor (sec. 514)	(15,000,000)	(32,108,000)	(15,758,000)
Rental housing (sec. 515)	(128,640,000)	(100,000,000)	(128,640,000)
Multi-family housing guarantees (sec. 538)	(19,700,000)	(150,000,000)	(75,000,000)
Site loans (sec. 524)	(600,000)	(5,000,000)	(5,000,000)
Self-help housing land development fund	(587,000)	(5,000,000)	(5,000,000)
Credit sales of acquired property	(25,000,000)	(30,007,000)	(25,000,000)
Total, Loan authorizations	(4,219,527,000)	(4,347,116,000)	(4,284,398,000)
Loan subsidies:			
Single family (sec. 502)	128,100,000	118,200,000	118,200,000
Unsubsidized guaranteed	6,900,000	2,700,000	2,700,000
Housing repair (sec. 504)	10,300,000	8,808,000	10,569,000
Multi-family housing guarantees (sec. 538)	1,200,000	3,480,000	1,740,000
Farm labor (sec. 514)	7,388,000	16,706,000	8,199,000
Rental housing (sec. 515)	68,745,000	48,250,000	62,069,000
Site loans (sec. 524)	16,500	16,500	16,000
Credit sales of acquired property	3,492,000	4,672,000	3,826,000
Self-help housing land development fund	17,000	282,000	282,000
Total, Loan subsidies	226,142,000	203,114,500	207,601,000
RHF administrative expenses (transfer to RHS)	354,785,000	367,857,000	360,785,000
Rental assistance program:			
(Sec. 521)	535,497,000	577,497,000	577,497,000
(Sec. 502(c)(5)(D))	5,900,000	5,900,000	5,900,000
Total, Rental assistance program	541,397,000	583,397,000	583,397,000
Total, Rural Housing Insurance Fund	1,122,324,000	1,154,368,500	1,151,783,000
(Loan authorization)	(4,219,527,000)	(4,347,116,000)	(4,284,398,000)
			(- 62,718,000)

Rural Housing Service:

Rural Housing Insurance Fund Program Account:

Loan authorizations:

Single family (sec. 502)	(1,000,000,000)	(1,000,000,000)	(1,000,000,000)
Unsubsidized guaranteed	(3,000,000,000)	(3,000,000,000)	(3,000,000,000)
Housing repair (sec. 504)	(30,000,000)	(30,000,000)	(30,000,000)
Farm labor (sec. 514)	(15,000,000)	(32,108,000)	(15,758,000)
Rental housing (sec. 515)	(128,640,000)	(100,000,000)	(128,640,000)
Multi-family housing guarantees (sec. 538)	(19,700,000)	(150,000,000)	(75,000,000)
Site loans (sec. 524)	(600,000)	(5,000,000)	(5,000,000)
Self-help housing land development fund	(587,000)	(5,000,000)	(5,000,000)
Credit sales of acquired property	(25,000,000)	(30,007,000)	(25,000,000)
Total, Loan authorizations	(4,219,527,000)	(4,347,116,000)	(4,284,398,000)

Loan subsidies:

Single family (sec. 502)	128,100,000	118,200,000	118,200,000
Unsubsidized guaranteed	6,900,000	2,700,000	2,700,000
Housing repair (sec. 504)	10,300,000	8,808,000	10,569,000
Multi-family housing guarantees (sec. 538)	1,200,000	3,480,000	1,740,000
Farm labor (sec. 514)	7,388,000	16,706,000	8,199,000
Rental housing (sec. 515)	68,745,000	48,250,000	62,069,000
Site loans (sec. 524)	16,500	16,500	16,000
Credit sales of acquired property	3,492,000	4,672,000	3,826,000
Self-help housing land development fund	17,000	282,000	282,000
Total, Loan subsidies	226,142,000	203,114,500	207,601,000
RHF administrative expenses (transfer to RHS)	354,785,000	367,857,000	360,785,000

Rental assistance program:

(Sec. 521)	535,497,000	577,497,000	577,497,000
(Sec. 502(c)(5)(D))	5,900,000	5,900,000	5,900,000
Total, Rental assistance program	541,397,000	583,397,000	583,397,000

Total, Rural Housing Insurance Fund

	1,122,324,000	1,154,368,500	1,151,783,000
(Loan authorization)	(4,219,527,000)	(4,347,116,000)	(4,284,398,000)
			(- 62,718,000)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1998 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1999—Continued

Item	Senate Committee recommendation compared with (+ or -)		
	1998 appropriation	Budget estimate	1998 appropriation
Mutual and self-help housing grants	26,000,000	26,000,000	26,000,000
Rural community fire protection grants	2,000,000	.....	-2,000,000
Rural housing assistance grants	45,720,000	46,900,000	45,720,000
Subtotal, grants and payments	73,720,000	72,900,000	71,720,000
RHS expenses:			
Salaries and expenses	57,958,000	60,978,000	60,978,000
(Transfer from RHIF)	(354,785,000)	(367,857,000)	(360,785,000)
Total, RHS expenses	(412,743,000)	(428,835,000)	(421,763,000)
Total, Rural Housing Service	1,254,002,000	1,288,246,500	1,284,481,000
(Loan authorization)	(4,219,527,000)	(4,347,116,000)	(4,284,398,000)
Rural Business-Cooperative Service:			
Rural Development Loan Fund Program Account:			
(Loan authorization)	(35,000,000)	(35,000,000)	(33,000,000)
Loan subsidy	16,888,000	17,622,000	16,615,000
Administrative expenses (transfer to RBCS)	3,482,000	3,547,000	3,482,000
Total, Rural Development Loan Fund	20,370,000	21,169,000	20,097,000
Rural Economic Development Loans Program Account:			
(Loan authorization)	(25,000,000)	(15,000,000)	(23,000,000)
Direct subsidy	5,978,000	3,783,000	5,801,000
Rural cooperative development grants	3,000,000	5,700,000	3,000,000
RBCS expenses:			
Salaries and expenses	25,680,000	26,396,000	25,680,000
			-716,000

(Transfer from RDLFP)	(3,482,000)	(3,547,000)	(3,482,000)	(- 65,000)
Total, RBCS expenses	(29,162,000)	(29,943,000)	(29,162,000)	(- 781,000)
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Total, Rural Business-Cooperative Service	55,028,000	57,048,000	54,578,000	- 450,000	- 2,470,000
(By transfer)	(3,482,000)	(3,547,000)	(3,482,000)	(- 65,000)
(Loan authorization)	(60,000,000)	(50,000,000)	(56,000,000)	(- 4,000,000)	(+ 6,000,000)
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Alternative Agricultural Research and Commercialization Revolving Fund	7,000,000	10,000,000	7,000,000	- 3,000,000
Rural Utilities Service:					
Rural Electrification and Telecommunications Loans Program Account:					
Loan authorizations:					
Direct loans:					
Electric 5 percent	(125,000,000)	(55,000,000)	(71,500,000)	(- 53,500,000)	(+ 16,500,000)
Telecommunications 5 percent	(75,000,000)	(50,000,000)	(75,000,000)	.....	(+ 25,000,000)
Subtotal	(200,000,000)	(105,000,000)	(146,500,000)	(- 53,500,000)	(+ 41,500,000)
Treasury rates: Telecommunications	(300,000,000)	(300,000,000)	(250,000,000)	(- 50,000,000)	(- 50,000,000)
Muni-rate: Electric	(500,000,000)	(250,000,000)	(295,000,000)	(- 205,000,000)	(+ 45,000,000)
FFB loans:					
Electric, regular	(300,000,000)	(300,000,000)	(700,000,000)	(+ 400,000,000)	(+ 400,000,000)
Telecommunications	(120,000,000)	(120,000,000)	(120,000,000)	.....	.....
Subtotal	(420,000,000)	(420,000,000)	(820,000,000)	(+ 400,000,000)	(+ 400,000,000)
Total, Loan authorizations	(1,420,000,000)	(1,075,000,000)	(1,511,500,000)	(+ 91,500,000)	(+ 436,500,000)
Loan subsidies:					
Direct loans:					
Electric 5 percent	9,325,000	7,172,000	9,325,000	.....	+ 2,153,000
Telecommunications 5 percent	2,940,000	4,895,000	7,342,000	+ 4,402,000	+ 2,447,000
Subtotal	12,265,000	12,067,000	16,667,000	+ 4,402,000	+ 4,600,000
Treasury rates: Telecommunications	60,000	810,000	675,000	+ 615,000	- 135,000
Muni-rate: Electric	21,100,000	21,900,000	25,842,000	+ 4,742,000	+ 3,942,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1998 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1999—Continued

Item	Senate Committee recommendation compared with (+ or -)			
	1998 appropriation	1998 appropriation		
	Budget estimate	Committee recommendation		
		Budget estimate		
FFB loans: Electric, regular	2,760,000	.....	-2,760,000	.....
Total, Loan subsidies	36,185,000	34,777,000	43,184,000	+8,407,000
RETLP administrative expenses (transfer to RUS)	29,982,000	32,000,000	29,982,000	-2,018,000
Total, Rural Electrification and Telecommunications Loans Program Account	66,167,000	66,777,000	73,166,000	+6,389,000
(Loan authorization)	(1,420,000,000)	(1,075,000,000)	(1,511,500,000)	(+436,500,000)
Rural Telephone Bank Program Account:				
(Loan authorization)	(175,000,000)	(175,000,000)	(140,000,000)	(-35,000,000)
Direct loan subsidy	3,710,000	4,637,500	3,710,000	-927,500
RTP administrative expenses (transfer to RUS)	3,000,000	3,000,000	3,000,000	.....
Total	6,710,000	7,637,500	6,710,000	-927,500
Distance learning and telemedicine program:				
(Loan authorization)	(150,000,000)	(150,000,000)	(150,000,000)	.....
Direct loan subsidy	30,000	180,000	180,000	+150,000
Grants	12,500,000	15,000,000	12,500,000	-2,500,000
Total	12,530,000	15,180,000	12,680,000	-2,500,000
RUS expenses:				
Salaries and expenses	33,000,000	33,445,000	33,000,000	-445,000
(Transfer from RETLP)	(29,982,000)	(32,000,000)	(29,982,000)	(-2,018,000)
(Transfer from RTP)	(3,000,000)	(3,000,000)	(3,000,000)

Total, RUS expenses	(65,982,000)	(68,445,000)	(65,982,000)	(-2,463,000)
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Total, Rural Utilities Service	118,407,000	123,039,500	125,556,000	+7,149,000	+2,516,500
(By transfer)	(32,982,000)	(35,000,000)	(32,982,000)	.....	(-2,018,000)
(Loan authorization)	(1,745,000,000)	(1,400,000,000)	(1,801,500,000)	(+56,500,000)	(+401,500,000)
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Total, title III, Rural Economic and Community Development Programs	2,087,222,000	2,194,117,000	2,172,404,000	+85,182,000	-21,713,000
(By transfer)	(391,249,000)	(406,404,000)	(397,249,000)	(+6,000,000)	(-9,155,000)
(Loan authorization)	(6,024,527,000)	(5,797,116,000)	(6,141,898,000)	(+117,371,000)	(+344,782,000)
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TITLE IV—DOMESTIC FOOD PROGRAMS					
Office of the Under Secretary for Food, Nutrition and Consumer Services ..	554,000	573,000	554,000	-19,000
Food and Consumer Service:					
Child nutrition programs	2,612,675,000	3,887,703,000	4,171,747,000	+1,559,072,000	+284,044,000
Discretionary spending	3,750,000	10,000,000	.....	-3,750,000	-10,000,000
Transfer from section 32	5,151,391,000	5,332,194,000	5,048,150,000	-103,241,000	-284,044,000
Total, Child nutrition programs	7,767,816,000	9,229,897,000	9,219,897,000	+1,452,081,000	-10,000,000
Special supplemental nutrition program for women, infants, and children (WIC)	3,924,000,000	4,081,000,000	3,924,000,000	.....	-157,000,000
Reserve .....	.....	(20,000,000)	.....	.....	(-20,000,000)
Food stamp program:					
Expenses	23,736,479,000	22,365,806,000	22,365,806,000	-1,370,673,000	.....
Reserve	100,000,000	1,000,000,000	100,000,000	.....	-900,000,000
Nutrition assistance for Puerto Rico	1,204,000,000	1,236,000,000	1,236,000,000	+32,000,000	.....
The emergency food assistance program	100,000,000	100,000,000	80,000,000	-20,000,000	-20,000,000
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Total, Food stamp program	25,140,479,000	24,701,806,000	23,781,806,000	-1,358,673,000	-920,000,000
Commodity assistance program	141,000,000	317,081,000	141,000,000	.....	-176,081,000
Food donations programs for selected groups:					
Needy family program	1,165,000	1,081,000	-84,000	+1,081,000
Elderly feeding program	140,000,000	140,000,000	+140,000,000
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Total, Food donations programs ⁴	141,165,000	141,081,000	-84,000	+141,081,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1998 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 1999—Continued

Item	1998 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				1998 appropriation	Budget estimate
Food program administration	107,505,000	111,848,000	109,069,000	+ 1,564,000	- 2,779,000
Total, Food and Consumer Service	37,221,965,000	38,441,632,000	37,316,853,000	+ 94,888,000	- 1,124,779,000
Total, title IV, Domestic Food Programs	37,222,519,000	38,442,205,000	37,317,407,000	+ 94,888,000	- 1,124,798,000
TITLE V—FOREIGN ASSISTANCE AND RELATED PROGRAMS					
Foreign Agricultural Service and General Sales Manager:					
Appropriation	131,295,000	141,087,000	131,795,000	+ 500,000	- 9,292,000
(Transfer from export loans)	(3,231,000)	(3,413,000)	(3,231,000)	.....	(- 182,000)
(Transfer from Public Law 480)	(1,035,000)	(1,093,000)	(1,035,000)	.....	(- 58,000)
Total, Foreign Agriculture Service and General	135,561,000	145,593,000	136,061,000	+ 500,000	- 9,532,000
Public Law 480 Program and Grant Accounts:					
Title I—Credit sales:					
Program level	(244,508,000)	(111,558,000)	(221,083,000)	(- 23,425,000)	(+ 109,525,000)
Direct loans	(226,900,000)	(102,163,000)	(203,475,000)	(- 23,425,000)	(+ 101,312,000)
Ocean freight differential	17,608,000	9,395,000	17,608,000	.....	+ 8,213,000
Title II—Commodities for disposition abroad:					
Program level	(837,000,000)	(837,000,000)	(837,000,000)	.....	.....
Appropriation	837,000,000	837,000,000	837,000,000	.....	.....
Title III—Commodity grants:					
Program level	(30,000,000)	(30,000,000)	(30,000,000)	.....	.....
Appropriation	30,000,000	30,000,000	30,000,000	.....	.....
Loan subsidies	176,596,000	88,667,000	176,596,000	.....	+ 87,929,000

Salaries and expenses:								
General Sales Manager (transfer to FAS)	1,035,000	1,093,000	1,035,000					- 58,000
Farm Service Agency (transfer to FSA)	815,000	845,000	815,000					- 30,000
Subtotal	1,850,000	1,938,000	1,850,000					- 88,000
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Total, Public Law 480:								
Program level	(1,111,508,000)	(978,558,000)	(1,088,083,000)		(- 23,425,000)			(+ 109,525,000)
Appropriation	1,063,054,000	967,000,000	1,063,054,000					+ 96,054,000
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CCC Export Loans Program Account:								
Loan guarantees: Export credit	(5,500,000,000)	(4,615,000,000)			(- 5,500,000,000)			(- 4,615,000,000)
Loan subsidy	527,546,000	253,000,000			- 527,546,000			- 253,000,000
Emerging markets export credit	(200,000,000)				(- 200,000,000)			
Salaries and expenses (Export Loans):								
General Sales Manager (transfer to FAS)	3,231,000	3,413,000	3,231,000					- 182,000
Farm Service Agency (transfer to FSA)	589,000	672,000	589,000					- 83,000
Total, CCC Export Loans Program Account	531,366,000	257,085,000	3,820,000		- 527,546,000			- 253,265,000
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Total, title V, Foreign Assistance and Related Programs	1,725,715,000	1,365,172,000	1,198,669,000		- 527,046,000			- 166,503,000
(By transfer)	(4,266,000)	(4,506,000)	(4,266,000)					(- 240,000)
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TITLE VI—RELATED AGENCIES AND FOOD AND DRUG ADMINISTRATION								
DEPARTMENT OF HEALTH AND HUMAN SERVICES								
Food and Drug Administration								
Salaries and expenses, direct appropriation	857,501,000	878,884,000	940,367,000		+ 82,866,000			+ 61,483,000
Prescription Drug User Fee Act	(117,122,000)	(126,845,000)	(132,273,000)		(+ 15,151,000)			(+ 5,428,000)
Mammography clinics user fee	(13,966,000)	(14,385,000)	(14,385,000)		(+ 419,000)			
Subtotal, program level	(988,589,000)	(1,020,114,000)	(1,087,025,000)		(+ 98,436,000)			(+ 66,911,000)
Buildings and facilities	21,350,000	8,350,000	12,350,000		- 9,000,000			+ 4,000,000
Rental payments (FDA)	46,294,000	82,866,000			- 46,294,000			- 82,866,000
By transfer from PDUFA		(5,428,000)						(- 5,428,000)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1998 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1999—Continued

Item	1998 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				1998 appropriation	Budget estimate
Subtotal, program level	(46,294,000)	(88,294,000)	.....	(-46,294,000)	(-88,294,000)
Total, Food and Drug Administration	925,145,000	970,100,000	952,717,000	+27,572,000	-17,383,000
DEPARTMENT OF THE TREASURY					
Financial Management Service: Payments to the Farm Credit System Financial Assistance Corporation	7,728,000	2,565,000	2,565,000	-5,163,000	.....
INDEPENDENT AGENCIES					
Commodity Futures Trading Commission	58,101,000	63,360,000	61,000,000	+2,899,000	-2,360,000
Farm Credit Administration (limitation on administrative expenses)	(34,423,000)	.....	.....	(-34,423,000)	.....
Total, title VI, Related Agencies and Food and Drug Administration	990,974,000	1,036,025,000	1,016,282,000	+25,308,000	-19,743,000
TITLE VII—EMERGENCY APPROPRIATIONS					
DEPARTMENT OF AGRICULTURE					
Farm Service Agency					
Emergency conservation program	34,000,000	.....	.....	-34,000,000	.....
Tree assistance program	14,000,000	.....	.....	-14,000,000	.....
Agricultural Credit Insurance Fund Program Account:					
Emergency insured loans:					
Loan subsidy	21,000,000	.....	.....	-21,000,000	.....
(Loan authorization)	87,400,000	.....	.....	-87,400,000	.....

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1998 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1999—Continued

Item	1998 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				1998 appropriation	Budget estimate
Title V—Foreign assistance and related programs	1,725,715,000	1,365,172,000	1,198,669,000	-527,046,000	-166,503,000
Title VI—Related agencies and Food and Drug Administration	990,974,000	1,036,025,000	1,016,282,000	+25,308,000	-19,743,000
Total, new budget (obligational) authority	49,753,136,000	57,780,138,000	56,813,535,000	+7,060,399,000	-966,603,000

¹In addition to appropriation.
²Budget proposes to fund this account under Conservation Operations.
³Budget proposes to fund technical assistance for WFPD under Conservation Operations.
⁴Budget proposes to include funding for these programs under the Commodity Assistance Program in fiscal year 1998.

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