

106TH CONGRESS }
1st Session } HOUSE OF REPRESENTATIVES { REPORT
106-157

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG
ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS BILL, 2000

MAY 21, 1999.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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

REPORT

together with

ADDITIONAL VIEWS

[To accompany H.R. 1906]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies for fiscal year 2000.

SUMMARY OF ESTIMATES AND RECOMMENDATIONS

	FY 1999 appropriation	FY 2000 estimates	FY 2000 recommendation	FY 2000 recommendation compared with	
				FY 1999 appropriation	FY 2000 estimates
Title I—Agricultural Programs	\$14,481,998,000	\$20,174,117,000	\$20,055,493,000	+\$5,573,495,000	– \$118,624,000
Title II—Conservation Programs	793,072,000	866,820,000	800,012,000	+6,940,000	– 66,808,000
Title III—Rural Economic and Community Development Programs	2,175,234,000	2,194,349,000	2,135,508,000	– 39,726,000	– 58,841,000
Title IV—Domestic Food Programs	36,067,199,000	41,381,688,000	35,520,668,000	– 546,531,000	– 5,861,020,000
Title V—Foreign Assistance and Related Programs ..	1,196,718,000	1,056,853,000	1,160,191,000	– 36,527,000	+103,338,000
Title VI—Related Agencies and FDA	1,046,138,000	1,209,355,000	1,169,700,000	+123,562,000	– 39,655,000

SUMMARY OF ESTIMATES AND RECOMMENDATIONS—Continued

	FY 1999 appropriation	FY 2000 estimates	FY 2000 recommendation	FY 2000 recommendation compared with	
				FY 1999 appropriation	FY 2000 estimates
Title VII—General Provisions	0	0	1,000,000	+1,000,000	+1,000,000
Emergency Appropriations (P.L. 105–277)	5,916,655,000			– 5,916,655,000	
Total	¹ 61,677,014,000	66,883,182,000	60,842,572,000	– 834,442,000	² – 6,040,610,000

¹Excludes supplemental funding provided by H.R. 1141.

²Includes Committee recommendations disapproving requested advance appropriations totaling \$5,000,000,000.

For discretionary programs the Committee provides \$13,945,754,000, which is \$253,754,000 more than the amount available in fiscal year 1999 and \$529,602,000 less than the budget request. These amounts exclude emergency spending. If emergency spending from fiscal year 1999 regular and supplemental bills is included, the Committee provides \$13,987,754,000, which is \$5,620,901,000 less than the amount available in fiscal year 1999 and \$530,602,000 less than the budget request.

INTRODUCTION

The programs funded in this legislation improve the lives of every American, every day. The Department of Agriculture administers nutrition and feeding programs for millions of Americans. USDA is also responsible for the safety of our meat and poultry supply.

This bill provides funding for research to strengthen our Nation's food supply, to make American exports competitive in world markets, to improve human nutrition, and to help ensure food safety. Funds in this bill make it possible for less than two percent of the population to provide a wide variety of safe, nutritious, and affordable food for more than 272 million Americans and many more people overseas.

Food safety remains one of the Committee's highest priorities. The bill provides funding for the Food Safety and Inspection Service, the Food and Drug Administration, the Office of the Chief Economist, the Economic Research Service, the Food and Nutrition Service, the Agricultural Research Service and the Cooperative State Research, Education and Extension Service for food safety related activities.

The rural development programs funded in this bill provide basic housing, safe water, and opportunities for economic growth in rural America. Conservation and environmental programs preserve lands and watersheds for use by future generations.

In addition, this bill provides funding for the Food and Drug Administration which oversees the safety of an enormous range of food, drugs, and medical devices and the Commodity Futures Trading Commission which regulates an increasingly complex market in commodity trading.

To establish priorities for funding for so many diverse and critical activities is never easy and the task will be more difficult as the effort to preserve the budget surplus continues. There are very

few program increases in this bill. Many of the accounts are at current levels of spending or decreased from the previous fiscal year.

In setting program levels the Committee was constrained by allocations for budget authority and outlays in comparison with fiscal year 1999. The Committee's recommended program levels are based upon appropriated funds as well as limitations on mandatory programs.

CONSTITUTIONAL AUTHORITY

Clause 3(d)(1) of rule XIII of the Rules of the House of Representatives states that:

Each report of a committee on a bill or joint resolution of a public character, shall include a statement citing the specific powers granted to the Congress in the Constitution to enact the law proposed by the bill or joint resolution.

The Committee on Appropriations bases its authority to report this legislation from Clause 7 of Section 9 of Article I of the Constitution of the United States of America which states:

No money shall be drawn from the Treasury but in consequence of Appropriations made by law * * *

Appropriations contained in this Act are made pursuant to this specific power granted by the Constitution.

TITLE I—AGRICULTURAL PROGRAMS

PRODUCTION, PROCESSING, AND MARKETING

OFFICE OF THE SECRETARY

1999 appropriation	\$2,836,000
2000 budget estimate	2,942,000
Provided in the bill	2,836,000
Comparison:	
1999 appropriation .....	.....
2000 budget estimate	- 106,000

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 of 1944 (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 PROVISIONS

For the Office of the Secretary, the Committee provides an appropriation of \$2,836,000, the same as the amount available for fiscal year 1999 and a decrease of \$106,000 below the budget request.

The Secretary shall report to the Appropriations Committee of the House and the Appropriations Committee of the Senate biannually during fiscal year 2000 as to whether the prices of raw cane and beet sugar are sufficient to prevent forfeitures and that the stock/use ratio is sufficient to ensure stable and adequate supplies to consumers and refiners, with consideration of its impact on growers, producers, processors, and users.

The Committee has included a general provision which limits expenses related to advisory committees, panels, task forces, and commissions to not more than \$1,800,000. This provision is intended to cover the activities of all advisory committees, panels, task forces, and commissions including any FACA related activities. The only exceptions are for panels used to comply with negotiated rulemakings and panels used to evaluate competitively awarded grants. The Committee expects the Department to participate in the National Drought Policy Commission.

In fiscal year 1997, the Committee included language designed to limit the personnel detailed to sub-Cabinet offices. It had come to the Committee's attention that, while each office had requested and received a specific appropriation, in fact, many more personnel and funds were being used to support sub-Cabinet offices. Each Under or Assistant Secretary office should justify its expenditures and staffing on the same basis as agencies must. It is apparent that Under and Assistant Secretary offices continue to violate the spirit of the individual appropriations for these offices. Financial shell games have been devised to deflect salaries of agency personnel for the continuation of the same function detailees have been performing. The Committee includes language again this year which prohibits details for more than 30 days.

The Committee expects the Secretary to provide a report on the status of identifying delinquent farm loan borrowers who are also receiving program payments.

The Committee has included report language under APHIS that encourages the Department to continue the use of Commodity Credit Corporation funds to combat Citrus Canker in Florida.

The Committee notes that according to the budget explanatory notes the Office of the Secretary's account is carrying an unexpended balance of \$4.7 million for Service Center Implementation Team activities. The Committee encourages the Secretary to work with the Chief Information Officer to use these existing funds to continue implementation of Service Center activities including the common computing environment.

The Committee notes that the "management by committee" structure currently in place at the USDA for service center implementation, common computing environment, and administrative convergence has not worked. The Committee encourages the Department to establish a single source of accountability for these activities.

The Committee does not establish a spending cap for these activities, but rather directs the USDA to adhere to the reprogramming requirements established in this bill.

EXECUTIVE OPERATIONS

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

OFFICE OF THE CHIEF ECONOMIST

1999 appropriation	¹ \$5,620,000
2000 budget estimate	6,622,000
Provided in the bill	5,620,000
Comparison:	
1999 appropriation .....	.....
2000 budget estimate	- 1,002,000

¹ Does not include transfer of \$791,000 for Office of Energy from the Economic Research Service.

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, energy and new uses, and cost-benefit analysis related to domestic and international food and agriculture, and is responsible for coordination and review of all commodity and aggregate agricultural and food-related data used to develop outlook and situation material within the Department.

COMMITTEE PROVISIONS

For the Office of the Chief Economist, the Committee provides an appropriation of \$5,620,000, the same as the amount available for fiscal year 1999 and a decrease of \$1,002,000 below the budget request.

NATIONAL APPEALS DIVISION

1999 appropriation	\$11,718,000
2000 budget estimate	12,699,000
Provided in the bill	11,718,000
Comparison:	
1999 appropriation .....	.....
2000 budget estimate	- 981,000

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

COMMITTEE PROVISIONS

For the National Appeals Division, the Committee provides an appropriation of \$11,718,000, the same as the amount available for fiscal year 1999 and a decrease of \$981,000 below the budget request.

OFFICE OF BUDGET AND PROGRAM ANALYSIS

1999 appropriation	\$6,120,000
2000 budget estimate	6,583,000
Provided in the bill	6,583,000
Comparison:	
1999 appropriation	+463,000
2000 budget estimate	

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

COMMITTEE PROVISIONS

For the Office of Budget and Program Analysis, the Committee provides an appropriation of \$6,583,000, an increase of \$463,000 above the amount available for fiscal year 1999 and the same as the budget request.

OFFICE OF THE CHIEF INFORMATION OFFICER

1999 appropriation	¹ \$5,551,000
2000 budget estimate	7,998,000
Provided in the bill	6,051,000
Comparison:	
1999 appropriation	+500,000
2000 budget estimate	-1,947,000

¹Does not include \$28.7 million, \$9.1 million, and \$8.4 million for year 2000 computer fixes funded through emergency supplemental funds.

The Clinger-Cohen Act of 1996 required the establishment of a Chief Information Officer for major Federal agencies. Pursuant to this Act, the Office of the Chief Information Officer was established in August 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. The Office also provides telecommunications and ADP services to USDA agencies through the National Information Technology Center with locations in Ft. Collins, Colorado and Kansas City, Missouri. Direct ADP operational services are also provided to the Office of the Secretary, Office of the General Counsel, Office of Communications, the Office of the Chief Financial Officer and Executive Operations.

Additionally, the Office of the Chief Information Officer is responsible for certain activities under the Department's Working Capital Fund (7 U.S.C. 2235).

COMMITTEE PROVISIONS

For the Office of the Chief Information Officer, the Committee provides an appropriation of \$6,051,000, an increase of \$500,000 above the amount available for fiscal year 1999 and a decrease of \$1,947,000 below the budget request.

OFFICE OF THE CHIEF FINANCIAL OFFICER

1999 appropriation	\$4,283,000
2000 budget estimate	6,288,000
Provided in the bill	4,283,000
Comparison:	
1999 appropriation .....	.....
2000 budget estimate	- 2,005,000

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

COMMITTEE PROVISIONS

For the Office of the Chief Financial Officer, the Committee provides an appropriation of \$4,283,000, the same as the amount available for fiscal year 1999 and a decrease of \$2,005,000 below the budget request.

OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION

1999 appropriation	\$613,000
2000 budget estimate	636,000
Provided in the bill	613,000
Comparison:	
1999 appropriation .....	.....
2000 budget estimate	- 23,000

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, ethics, personnel management, equal opportunity and civil rights programs, and other general administrative functions. Additionally, the Office of the Assistant Secretary for Administration is responsible for certain activities financed under the Department's Working Capital Fund (7 U.S.C. 2235).

COMMITTEE PROVISIONS

For the Office of the Assistant Secretary for Administration, the Committee provides an appropriation of \$613,000, the same as the amount available for fiscal year 1999 and a decrease of \$23,000 below the budget request.

AGRICULTURE BUILDINGS AND FACILITIES AND RENTAL PAYMENTS

1999 appropriation	\$137,184,000
2000 budget estimate	166,364,000
Provided in the bill	166,364,000
Comparison:	
1999 appropriation	+29,180,000
2000 budget estimate	

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

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

Building Operations and Maintenance.—On October 1, 1984, GSA delegated the operations and maintenance functions for the buildings in the D.C. complex to the Department. This activity provides departmental staff and support services to operate, maintain, and repair the buildings in the D.C. complex. Since 1989, when the GSA delegation expired, USDA has been responsible for managing, operating, maintaining, repairing, and improving the headquarters complex, which encompasses 14.1 acres of ground and four buildings containing approximately three million square feet of space occupied by approximately 8,000 employees. In fiscal year 1998, USDA began operations of the Beltsville Office Facility.

Strategic Space Plan.—The Department's headquarters staff is presently housed in a four-building government-owned complex in downtown Washington, D.C. and in leased buildings in the metropolitan Washington area. In 1995, USDA initiated a plan to improve the delivery of USDA programs to the American people, including streamlining the USDA organization. A high priority goal in the Secretary's plan is to improve the operation and effectiveness of the USDA headquarters in Washington. To implement this goal, a strategy for efficient re-allocation of space to house the re-structured 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 in-

efficiencies of operating out of scattered leased facilities and serious safety hazards which exist in the huge Agriculture South Building. During FY 1998, the Beltsville Office Facility was completed. This facility was constructed with funds appropriated to the Department and is located on Government-owned land in Beltsville, Maryland. Occupancy by USDA agencies began in 1998 and will be completed in fiscal year 1999.

COMMITTEE PROVISIONS

For Agriculture Buildings and Facilities and Rental Payments to GSA, the Committee provides an appropriation of \$166,364,000, an increase of \$29,180,000 above the amount available for fiscal year 1999 and the same as the budget request.

Included in this amount is \$115,542,000 for rental payments to GSA. The Committee includes language permitting the Secretary of Agriculture to transfer not more than five percent of this appropriation to or from another agency's appropriation. The Committee expects that such a transfer will be proposed only when a move into GSA space is vacated in favor of commercial space. This flexibility is provided to allow for incremental changes in the amount of GSA space and is not intended merely to finance changes in GSA billing.

The following table represents the Committee's specific recommendations for this account:

AGRICULTURE BUILDINGS AND FACILITIES AND RENTAL PAYMENTS

(In thousands of dollars)

	<i>1999 estimate</i>	<i>2000 budget request</i>	<i>Committee recommendation</i>
Rental Payments	\$108,057	\$115,542	\$115,542
Building Operations	24,127	24,822	24,822
Strategic Space Plan	5,000	26,000	26,000
Total	137,184	166,364	166,364

HAZARDOUS WASTE MANAGEMENT

1999 appropriation	\$15,700,000
2000 budget estimate	22,700,000
Provided in the bill	15,700,000
Comparison:	
1999 appropriation	
2000 budget estimate	-7,000,000

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 covered by the Department or within departmental jurisdiction.

COMMITTEE PROVISIONS

For Hazardous Waste Management, the Committee provides an appropriation of \$15,700,000, the same as the amount available for fiscal year 1999 and a decrease of \$7,000,000 below the budget request.

DEPARTMENTAL ADMINISTRATION

1999 appropriation	\$32,168,000
2000 budget estimate	36,117,000
Provided in the bill	36,117,000
Comparison:	
1999 appropriation	+3,949,000
2000 budget estimate	

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

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

COMMITTEE PROVISIONS

For Departmental Administration, the Committee provides an appropriation of \$36,117,000, an increase of \$3,949,000 above the amount available for fiscal year 1999 and the same as the budget request.

OUTREACH FOR SOCIALLY DISADVANTAGED FARMERS AND RANCHERS

1999 appropriation	\$3,000,000
2000 budget estimate	10,000,000
Provided in the bill	3,000,000
Comparison:	
1999 appropriation	
2000 budget estimate	-7,000,000

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

COMMITTEE PROVISIONS

For the Outreach for Socially Disadvantaged Farmers and Ranchers Program, the Committee provides an appropriation of \$3,000,000, the same as the amount available for fiscal year 1999 and a decrease of \$7,000,000 below the budget request.

OFFICE OF THE ASSISTANT SECRETARY FOR CONGRESSIONAL
RELATIONS

1999 appropriation	\$3,668,000
2000 budget estimate	3,805,000
Provided in the bill	3,668,000
Comparison:	
1999 appropriation .....	.....
2000 budget estimate	- 137,000

The Office of the Assistant Secretary for Congressional Relations maintains 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 PROVISIONS

For the Office of the Assistant Secretary for Congressional Relations, the Committee provides an appropriation of \$3,668,000, the same as the amount available for fiscal year 1999 and a decrease of \$137,000 below the budget request. The Committee includes language allowing the transfer of not less than \$2,241,000 to agencies funded in this Act to maintain personnel at the agency level.

OFFICE OF COMMUNICATIONS

1999 appropriation	\$8,138,000
2000 budget estimate	9,300,000
Provided in the bill	8,138,000
Comparison:	
1999 appropriation .....	.....
2000 budget estimate	- 1,162,000

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

COMMITTEE PROVISIONS

For the Office of Communications, the Committee provides an appropriation of \$8,138,000, the same as the amount available for fiscal year 1999 and a decrease of \$1,162,000 below the budget request.

OFFICE OF THE INSPECTOR GENERAL

1999 appropriation	\$65,128,000
2000 budget estimate	68,246,000
Provided in the bill	65,128,000
Comparison:	
1999 appropriation .....	.....
2000 budget estimate	-3,118,000

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

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

COMMITTEE PROVISIONS

For the Office of the Inspector General, the Committee provides an appropriation of \$65,128,000, the same as the amount available for fiscal year 1999, and a decrease of \$3,118,000 below the budget request.

The Committee is aware that the Natural Resources Conservation Service (NRCS) stopped conservation technical assistance for the Conservation Reserve Program (CRP) on April 7, 1999 and is concerned about that action. The Committee directs the Office of Inspector General (OIG) to report to the Committee on Appropriations, no later than 30 days after enactment of this Act, on the following: a listing of states where offices were closed, the amount of time they were closed, the roles employees were given in lieu of providing technical assistance to CRP lands, and the number, if any, of employees laid off or furloughed as a result of this action.

In addition, the Committee directs the OIG to provide a full accounting and analysis of the NRCS/FSA funding mechanisms for CRP conservation technical assistance, and a determination on whether USDA used all tools necessary to avoid stopping conservation technical assistance on CRP lands.

The Committee is aware that the USDA, the Department of Treasury, and the Department of Justice have reached agreement

on the allocation of funds received through forfeiture proceedings. The Committee believes that funds received as a result of this agreement should allow the Inspector General's Office to pursue law enforcement initiatives and other related activities.

The Committee strongly supports the Department's Operation Talon program to locate and apprehend fugitives who are illegally receiving food stamps. This initiative has already led to the arrest of dangerous fugitives, including many individuals being sought for murder, rape, assault, and other violent crimes. The Committee urges the Department to expand its commitment to Operation Talon and to enlist the assistance of state social service agencies in this effort.

OFFICE OF THE GENERAL COUNSEL

1999 appropriation	\$29,194,000
2000 budget estimate	32,675,000
Provided in the bill	29,194,000
Comparison:	
1999 appropriation .....	.....
2000 budget estimate	- 3,481,000

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

COMMITTEE PROVISIONS

For the Office of the General Counsel, the Committee provides an appropriation of \$29,194,000, the same as the amount available for fiscal year 1999, and a decrease of \$3,481,000 below the budget request.

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

1999 appropriation	\$540,000
2000 budget estimate	2,061,000
Provided in the bill	940,000
Comparison:	
1999 appropriation	+400,000
2000 budget estimate	- 1,121,000

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. The Under Secretary serves as chair of the Biobased Coordinating Council of the Department which is responsible for developing a list of biobased products to be considered for environmental preferability.

COMMITTEE PROVISIONS

For the Office of the Under Secretary for Research, Education, and Economics, the Committee provides an appropriation of \$940,000, an increase of \$400,000 above the amount available for fiscal year 1999 and a decrease of \$1,121,000 below the budget request. Within the sum provided, up to \$400,000 is available for activities related to the Biobased Coordinating Council, rather than \$1,500,000 as requested.

ECONOMIC RESEARCH SERVICE

1999 appropriation	¹ \$65,757,000
2000 budget estimate	55,628,000
Provided in the bill	70,266,000
Comparison:	
1999 appropriation	+4,509,000
2000 budget estimate	+14,638,000

¹Does not reflect the transfer of \$791,000 for Office of Energy from ERS to OCE or the transfer of \$2 million to FPA in the Food and Nutrition Service.

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

COMMITTEE PROVISIONS

For the Economic Research Service, the Committee provides an appropriation of \$70,266,000, an increase of \$4,509,000 above the amount available for fiscal year 1999 and an increase of \$14,638,000 above the budget request. The Committee has provided \$17,495,000, an increase of \$300,000 above the budget request, for studies and evaluations work under the Food and Nutrition Service. Included in this total is \$11,000,000 for food stamp, \$3,000,000 for child nutrition, and \$3,495,000 for WIC studies and evaluations. This work is to be carried out within the Food and Consumer Economics Division which conducts research and analysis on food programs and food policy issues. The Committee expects ERS to consult and work with the staff at the Food and Nutrition Service as well as other agencies to assure that all studies and evaluations are meeting the needs of the Department.

NATIONAL AGRICULTURAL STATISTICS SERVICE

1999 appropriation	\$103,964,000
2000 budget estimate	100,559,000
Provided in the bill	100,559,000
Comparison:	
1999 appropriation	-3,405,000
2000 budget estimate .....	.....

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

Beginning with the fiscal year 1997 appropriation, funding has been provided to NASS for the Census of Agriculture which has been transferred from the Department of Commerce to the Department of Agriculture to consolidate the activities of the two agricultural statistics programs. The Census of Agriculture is taken every five years and provides comprehensive data on the agricultural economy including: data on the number of farms, land use, production expenses, farm product values, value of land and buildings, farm size, and characteristics of farm operators. It provides national, state, and county data as well as selected data for Puerto Rico, Guam, and the United States Virgin Islands.

COMMITTEE PROVISIONS

For the National Agricultural Statistics Service, the Committee provides an appropriation of \$100,559,000, a decrease of \$3,405,000 below the amount available in fiscal year 1999 and the same as the budget request. Included in this amount is \$16,490,000 for the Census of Agriculture. The Census of Agriculture collects and provides comprehensive data every five years on all aspects of the agricultural economy.

AGRICULTURAL RESEARCH SERVICE

1999 appropriation	¹ \$785,518,000
2000 budget estimate	836,868,000
Provided in the bill	836,381,000
Comparison:	
1999 appropriation	+50,863,000
2000 budget estimate	-487,000

¹Excludes \$23,000,000 provided for supplemental drug control research and \$4,500,000 transferred from the Office of National Drug Control Policy provided by P.L. 105-277.

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

ARS also directs research beneficial to the United States which can be advantageously conducted in foreign countries through

agreements with foreign research institutions and universities, using foreign currencies for such purposes. This program is carried out under the authority of sections 104(b) (1) and (3) of Public Law 480, and the Agricultural Trade Development and Assistance Act of 1954, as amended.

COMMITTEE PROVISIONS

Salaries and expenses.—For salaries and expenses of the Agricultural Research Service, the Committee provides an appropriation of \$836,381,000, an increase of \$50,863,000 above the amount available for fiscal year 1999 and \$487,000 below the budget request.

Aflatoxin.—The Committee recognizes the promising research which would prevent the formation of aflatoxin in field crops. The Multi-Crop Aflatoxin Working Group, which serves as a liaison committee to USDA in directing aflatoxin research, has recommended additional funding be made available to facilitate expansion of a project in Arizona to use AF-36 to treat up to 20,000 acres during the 1999–2000 crop, and EPA has issued the necessary permits for that purpose. While the Committee is unable to provide additional funding due to budgetary constraints, it expects the Secretary to instruct ARS, APHIS and other agencies to provide the necessary assistance to ensure that the expanded project is completed during this fiscal year.

Agricultural law research.—The National Center for Agricultural Law Research and Information is the primary contributor of bibliographic agricultural law information to the USDA National Agricultural Library. The Committee directs the Agricultural Research Service to continue funding in fiscal year 2000 for the National Center for Agricultural Law Research located at the University of Arkansas School of Law.

Agricultural Telecommunications.—The Committee recognizes the changing nature of technology and the way that it has affected the delivery of agricultural research to local communities. With fewer agents in the field to communicate the latest agricultural information and research to farmers, there is an increased demand for advanced technology to bring this research to the farms in a timely manner. The Committee provides \$1 million for development of advanced technology to facilitate delivery of research-based information to local communities and individuals. This increase is directed to American Distance Education Consortium (ADEC).

Animal Vaccines.—The Committee provides an increase of \$2,500,000 for a joint research project on advanced animal vaccines and diagnostic applications between the University of Connecticut and the University of Missouri.

Animal Waste, Illinois.—The Committee provides \$200,000 for animal waste management and rural and urban interface.

Aquaculture research.—The Committee recognizes the need to conduct fish health management research directed at meeting the needs of the U.S. aquaculture industry including research on improving yields, food quality, disease control, and stress tolerance. The Committee directs the Agricultural Research Service to continue funding in fiscal year 2000 for research activities at the Stuttgart National Aquaculture Research Center located in Stuttgart, AR.

Aquaculture research.—The Committee provides \$500,000 for fiscal year 2000 for the Aquaculture/Fisheries Center at the University of Arkansas at Pine Bluff for the research of costs related to bird predation on farm-raised fish and the development of value added products for aquaculture from within funds appropriated to Agricultural Research Service.

Aquaculture Systems.—Within the funds provided to the Agricultural Research Service, the Committee recommends an increase of \$50,000 for research on developing new aquaculture systems focused on rainbow trout at the University of Connecticut.

Biological controls and agricultural research.—The Committee provides \$1 million for a Center for Biological Controls and \$1.5 million for Science Center of Excellence at Florida A&M University.

Coffee and cocoa research.—The Committee notes that an infestation of tropical fungal and pest diseases have had a devastating impact on coffee and cocoa crop production. The Committee provides an increase of \$3 million for the continuation of the disease resistance/alternative crop research which was initiated as part of the Central/South American Anti-Drug Initiative in the FY 1999 Omnibus Appropriations bill.

Continuing Programs.—The Committee recognizes the importance of ongoing research projects in addressing increasing problems faced by the Nation's food and fiber producers. In this regard, the Committee directs the Agricultural Research Service to continue to fund the following areas of research in fiscal year 2000 at the same funding level provided in fiscal year 1999: organics research management; genetic characterization of soybean germplasm; development of soybean germplasm and production systems for high yield and drought prone environments; soybean diseases; wild rice research; soil tilth, Ames, IA; emerging plant and animal diseases; exotic infectious diseases; livestock management systems; food safety, Ames, IA soybean, genetic work and ongoing research at Ames, IA aimed at increasing the productivity and profitability of soybean production and processing; alternative grain-based fish feed project at the ARS facility in Aberdeen, ID; areawide pest management research to develop compounds to replace hazardous chemicals and to expand IPM and area wide pest management practices to meet the requirements resulting from the Food Quality Protection Act (FQPA); poult enteritis mortality syndrome; work on the biotechnology research and development corporation's research; biological control of Western weeds; ARS Rice Research Laboratory, Beaumont Texas; cotton ginning research; human nutrition research; continued funding for the research project, "Behavioral Ecology and Management of Insect Pests with Semiochemicals" in collaboration with the University of Florida; ongoing formosan termite control and research program at the Southern Regional Research Center; germplasm evaluation and genetic improvement of oats and wild rice; disease and insect control mechanisms for the enhancement of sugar germplasm resistance; development and use of molecular techniques in oat enhancement; soybean diseases; genetically enhanced wheat for quality productivity, and resistance to biotic and abiotic stresses; control of foliar diseases and smuts of wheat; Northwest nursery crops research; bio-

logical control of yellow starthistle and other nonindigenous plant pests in the Western U.S.; low sugar potatoes; grain legume research; biochemical and molecular regulation of preharvest sprouting and grain dormancy in wheat; germplasm enhancement and cultivar development of blackberry, strawberry, blueberry, and raspberry; small grains research; plant genetics equipment; developing integrated weed management systems for efficient evaluation of temperate legumes and warm-season grass mixtures in sustainable production systems; hops research; shallow groundwater management systems for arid irrigated areas; development and evaluation of new remote sensing technologies to assess food and fiber production; rice genetics research; enhancing rice grain quality; technology to enhance soybean oil for food and non-food uses; ecologically based management of salt cedar (tamarix) in the Western U.S.; defining the molecular mechanisms of heavy metal chelation and sequestration in plants; floriculture; barley and oat germplasm enhancement and small grains germplasm evaluation and maintenance; reduced herbicide inputs for effective weed management systems to improve water quality; sensors and systems for site-specific crop management to improve environmental quality; quantitative genetic analysis and improvement of corn populations; genetics of host resistance to pathogens in cereal crops; ecologically-based pest management of selected insect pests of corn; enhancement of strawberry, blueberry, and other small fruit crops through molecular approaches and breeding; biology and control of virus diseases of sorghum; exploration and maintenance of fungi and plants for biorational control of agricultural pests; improving resistance of peanut to biological stress through germplasm and cultural enhancement; characterization of induced cytokinin changes in wheat; partitioning of photosynthate as influenced by genotype, mycorrhizae and air enriched with CO₂; residue management and grass seed cropping systems for sustainable agriculture; preservation of clonal genetic resources of temperate fruit, nut, and specialty crops; parasite mite control in honey bee colonies utilized in honey production and crop pollination; the role of life strategies of phytopathogenic bacteria in the epidemiology of foliar diseases; tropical aquaculture feeds and culture technology, development of shrimp feeds; ecologically-based technologies for controlling ixodes scapularis and reducing lyme disease; identification and characterization of quantitative trait loci resistance to disease in chicken; optimizing reproduction efficiency to enhance profit and sustainability of range beef production; metabolism and nutritional management of prolific sows during gestation and lactation; animal health consortium; flavor optimization of major food crops through control of metabolic processes; conversion of crops to products with higher added value through directed molecular evolution; thermomechanical processing of natural polymers; enhanced use of plant proteins: identifying, isolating and relating structures to properties; new crops for industrial products; novel carbohydrate-based materials via bioconversion processes; bioprocess and metabolic engineering technologies for biofuels and value-added co-products; comparative textural analysis of fresh and fresh-cut fruits and vegetables; improving quality of fresh and fresh-cut produce by preventing deterioration in cold storage; postharvest handling and

mechanization to minimize damage for fruits; improved peanut product quality and bioactive nutrient composition with genetic resources; develop, evaluate and transfer technology to improve efficiency and quality in peanuts; dietary assessments of rural older persons; warmwater foodfish health management research; anaerobic microbiological processes in animal waste management; improving sugarcane productivity by conventional and molecular approaches to genetic development; developing integrated weed management systems for efficient and sustainable sugarcane production; and research on phytoestrogens at the Southern Regional Agricultural Research Center.

The Committee has reviewed and agrees with the President's recommendation to fund research laboratories at Prosser, WA and Mandan, ND. The Committee believes that these locations are essential components of the Department's agricultural research program.

Crops at Risk.—The Committee provides \$1,000,000 for a new special grant.

Diaprepes Root Weevil (Diaprepes abbreviata).—The committee recognizes the seriousness of the Diaprepes root weevil and its impact on citrus, corn, sugarcane, ornamental plants, cotton, yucca, papaya, and sweetpotato. It is important this research be continued and the committee directs \$400,000 to the University of Florida for research and eradication of this pest.

Ft. Pierce, FL.—The committee recognizes the important research currently being conducted at the Ft. Pierce laboratory in FY 1999. The Committee recognizes the expanded role the facility is providing in horticultural science research. The Committee provides \$600,000 to support additional research scientists.

Emerging infectious animal and plant diseases.—The Committee is keenly aware of the potential threats posed to agriculture and animal and human health from emerging plant and animal diseases, new and emerging noxious weeds, biological control of weedy plants that severely threaten biodiversity and ecosystem functions, and emerging plant diseases that include potato blight, sorghum ergot, etc. This research is directed to ARS research centers at: Beltsville, MD; Frederick, MD; College Station, TX; Weslaco, TX; Albany, CA; and Montpellier, FR. The Committee directs the ARS to provide the same funding level that was provided in fiscal year 1999.

The Committee is particularly sensitive to the need to accelerate research to protect U.S. livestock and human health against emerging infectious and zoonotic diseases such as tuberculosis, brucellosis, toxoplasmosis, trichinosis, salmonella, etc. Funding should also be provided to combat these diseases as well as develop critical diagnostic tests and basic information for Scrapie, BSE, Johne's disease, porcine reproductive and respiratory syndrome, avian influenza, and various other disease agents of livestock. These funds are to expand the ongoing research carried out at existing ARS laboratories located at: Pullman, WA; Laramie, WY; Athens, GA; Beltsville, MD; and the National Animal Disease Center, Ames, IA. The Committee directs the ARS to provide the same level of funding for these projects as provided in fiscal year 1999.

Endophyte Research.—There are over 35 million acres of endophyte infected tall fescue pastures in the U.S. responsible for annual losses to the beef cattle industry. The Committee provides \$400,000 for continued cooperative research with the University of Arkansas, University of Missouri, and Oregon State University.

Floriculture and nursery crop research.—The Committee notes that floriculture and nursery crops represent more than 10% of the total U.S. farm crop cash receipts. The Committee provides an increase of \$2 million to implement this research. A portion of this funding should continue to be allocated to university partners, including California University and Cornell University, through cooperative agreements. Of the additional funding, \$200,000 is provided for research at Ohio State University to support the Ornamental Plant Germplasm Center.

Food Safety research.—The Committee recognizes that research and new technology developments are needed to identify, control and eliminate *Listeria monocytogenes* and *E.coli* 0157:H7 pathogens contamination in foods. The Committee provides an increase of \$1 million to control and prevent *Listeria monocytogenes* in ready-to-eat meat and poultry products and *E.coli* 0157:H7 in raw beef products. This research, details of which would be prioritized through discussion with meat and poultry producers and processors, should be done in coordination with the Cooperative State Research, Education and Extension Service.

Fusarium head blight.—Generally known as “scab”, *Fusarium* Head Blight poses an extremely serious threat to all classes of wheat and barley in the U.S. The effects of scab are mostly manifested as reduced farm yield, lowered test weights, and reduced grain quality. The problem is amplified because scab infected grain is usually contaminated with vomitoxin, a toxic metabolite produced when the fungal pathogen invades the developing grain kernel. The Committee is providing \$3,000,000 to support the ongoing cooperative effort with the 12 land-grant universities to control this serious threat to the wheat and barley industries.

Genetic resources.—The Committee concurs that there is need to invest in new biotechnological approaches of genomics which promise to unlock secrets controlling agriculturally important traits of plant and animal germplasm. The Committee supports funding of the Department’s Food Genome Initiative. The Committee directs the ARS to provide the same level of funding for this project that was provided in FY 1999.

Golden Nematode.—The Committee provides an increase of \$200,000 to Cornell University to support golden nematode research in plant breeding, nematology and activities involving seed production and extension.

Greenhouse Lettuce Germplasm, Salinas, CA.—The Committee provides \$250,000 for a greenhouse to maintain lettuce germplasm for the preservation, maintenance, and evaluation of germplasm.

Groundwater Salinity, Riverside, CA.—The Committee provides \$600,000 for continued research into groundwater salinity in the Sacramento Valley.

Grape Rootstock.—Grapes are now the highest value fruit crop in the nation and sixth largest crop overall. Most of the crop is processed to raisins, grape juice, and wine, thereby adding enormous

value to the crop. The Committee provides \$300,000 for research at Geneva, NY for vitally needed research on rootstock development.

Human nutrition research.—The Committee recognizes the ongoing efforts of the ARS Human Nutrition Centers and provides an additional \$5,000,000 for fiscal year 2000 from within funds appropriated under Agricultural Research Service for the Centers located at Little Rock, AR; Beltsville, MD; Boston, MA; Houston, TX; San Francisco, CA; and Grand Forks, ND. These resources will further research investigations on dietary intake, and reduced risk of chronic diseases.

Lyme disease.—Within the amount provided for the Agricultural Research Service, the Committee provides an increase of \$197,600 to continue support for the Northeast Area-Wide Tick Control Project in order to achieve a dramatic reduction of lyme ticks thereby reducing Lyme disease risks in humans. The Committee also provides an increase of \$172,900 for an extramural research project on ecologically-based technologies for controlling Ixodes Scapularis and reducing Lyme disease. The Committee supports \$200,000 for Lyme disease cooperative research at New Haven, Connecticut.

Lettuce geneticist/breeder, Salinas, CA.—The Committee provides \$250,000 for a geneticist plant breeder at the ARS research station at Salinas, CA.

Methyl Bromide Alternatives Research.—The Committee is aware of the important research carried out by ARS to develop alternatives to methyl bromide which is effectively utilized as a soil farming agent and pest control for stored commodities. The Committee provides \$14,380,000 for methyl bromide research, the same as the fiscal year 1999 funding level. The committee expects ARS to devote a significant portion of this funding to in-the-field research.

Mid-West / Mid-South Irrigation.—The Committee is aware of the importance of irrigation research in reducing risk and increasing yields on the farm. The Committee directs ARS to allocate \$200,000 for cooperative research into irrigation methods and technologies at the University of Missouri Delta Center in Portageville, Missouri.

Organic Minor Crop Specialist, Salinas, CA.—The Committee provides \$250,000 for an organic minor crop specialist at the ARS research station at Salinas, CA.

Plant Genetics Equipment.—The Committee directs the Agricultural Research Service to continue to fund research into plant genetics equipment.

Peanut Quality Research.—The Committee provides \$1,000,000 for peanut quality research at ARS in Athens, GA.

Post-harvest and Controlled Atmosphere Chamber.—The Committee provides \$300,000 for a full-time scientist position and the necessary resources to conduct research into post-harvest and controlled atmosphere techniques aimed at reducing insect and disease problems in lettuce destined for Japan and other export markets.

Precision Agriculture, Alabama.—The Committee provides \$500,000 for global positioning system, geographic informational system, and remote sensing for precision farming.

Range research.—The Committee is cognizant of the important work carried out at the ARS rangeland research station at Burns,

OR. Additional staffing is required to meet research needs in support of action agencies, farmers and ranchers in the Great Basin rangeland area—primarily Oregon, Washington, Idaho and Nevada. The Committee directs the ARS to provide at least the same level of funding for this research in FY 2000 that was provided in fiscal year 1999.

Red Snapper Aquaculture, Alabama.—The Committee provides \$600,000 for crucial research that would assist in the scientific development of red snapper aquaculture, promote the improvement of red snapper stocks in the Gulf of Mexico, and assist in providing economic opportunities to coastal communities.

Rice research.—The Committee recognizes the need for evaluation and enhancement of rice germplasm. From within funds appropriated under Agricultural Research Service, the Committee provides an increase of \$500,000 in fiscal year 2000 for the National Rice Research Center located in Stuttgart, AR.

Risk Mitigation.—The Committee provides \$4,000,000 for a new special grant.

Root diseases in wheat and barley.—The Committee directs the ARS to provide at least the same level of funding for this project in FY 2000 that was provided in FY 1999 for the ARS Root Disease and Biological Control Laboratory, Pullman, WA for investigation of root diseases. Major research breakthroughs are needed in root disease management to achieve high yields possible under conservation tillage systems.

Safe Seafood, Massachusetts.—The Committee provides \$300,000 to conduct industry-wide research of fresh-water fish, salt-water fish, mollusan shellfish, and other aquaculture.

Small fruits research.—The Committee directs the ARS to provide funding at least at the FY 1999 level in FY 2000 for the Northwest Center for Small Fruits Research, Corvallis, OR. The Center conducts and coordinates research efforts unique to small fruit industries in the Pacific Northwest, including breeding, insect, disease management, product development, and market analyses.

Sugarbeet research.—The Committee is aware of the need for additional funding to adequately support the ARS sugarbeet research program at Ft. Collins, CO to strengthen sugarbeet research at the ARS laboratory. The Committee directs the ARS to fund this project in FY 2000 at least at the funding level as in FY 1999.

Sustainable Vineyard Practices Position.—The Committee provides \$300,000 for a new USDA ARS sustainable vineyard practices position at UC, Davis. This research position will be responsible for development of biologically and environmentally sound practices for grape growing which enhance compatibility with soil, water, air, and biotic resources.

Tropical Aquaculture.—The committee recognizes the economic benefits of the expansion of the market for ornamental tropical fish, the committee directs \$200,000 for ongoing research at the Ruskin Tropical Aquaculture Laboratory.

U.S. Plant and Water Conservation Laboratory.—The Committee provides an increase of \$1,000,000 for the U.S. Plant and Water Conservation Laboratory in Lubbock, TX.

BUILDINGS AND FACILITIES

1999 appropriation	\$56,437,000
2000 budget estimate	44,500,000
Provided in the bill	44,500,000
Comparison:	
1999 appropriation	- 11,937,000
2000 budget estimate	

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

COMMITTEE PROVISIONS

For Agricultural Research Service, Buildings and Facilities, the Committee provides an appropriation of \$44,500,000, a decrease of \$11,937,000 below the amount available for fiscal year 1999 and the same as the budget request.

The following table summarizes the Committee's provisions:

AGRICULTURAL RESEARCH SERVICE

[In thousands of dollars]

	FY 2000 estimate	Committee provisions
BUILDINGS AND FACILITIES		
California:		
Western Regional Research Center, Albany	\$2,600	\$2,600
Western Human Nutrition Lab, Davis	9,000	9,000
Illinois:		
National Center for Agricultural Utilization Research, Peoria	1,800	1,800
Louisiana:		
Southern Regional Research Center, New Orleans	5,500	5,500
Maryland:		
Beltsville Agricultural Research Center	13,000	13,000
New York:		
Plum Island Animal Disease Center	8,200	8,200
Pennsylvania:		
Eastern Regional Research Center, Philadelphia	4,400	4,400
Total, Buildings and Facilities	\$44,500	\$44,500

National Arboretum, District of Columbia.—From within amounts available due to savings and slippage in the Buildings and Facilities account, the Committee directs the Agricultural Research Service to obligate up to \$500,000 for engineering and design to implement the new Master Plan for the National Arboretum, with emphasis on a new entrance off Bladensburg Road. The Committee notes that the budget request estimates that the Buildings and Facilities account will have an unobligated balance of \$84,000,000 available at the start of fiscal year 2000, with \$63,000,000 remaining available at the end of the year. While these funds are committed to various projects, the Committee expects that this work at the National Arboretum can be financed within existing funds.

Reprogrammings.—The Committee will consider reprogramming requests for the following projects from within amounts available due to savings and slippage in the Buildings and Facilities account:
 Avian Disease Oncology Laboratory (East Lansing, MI)
 Water Conservation and Western Cotton Laboratory (Maricopa, AZ)

COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION
 SERVICE

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

RESEARCH AND EDUCATION ACTIVITIES

1999 appropriation	\$481,216,000
2000 budget estimate	468,965,000
Provided in the bill	467,327,000
Comparison:	
1999 appropriation	– 13,889,000
2000 budget estimate	– 1,638,000

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

COMMITTEE PROVISIONS

For payments under the Hatch Act, the Committee provides an appropriation of \$180,545,000, the same as the amount available for fiscal year 1999 and \$26,873,000 above the budget request.

For cooperative forestry research, the Committee provides an appropriation of \$21,932,000, the same as the amount available for fiscal year 1999 and \$2,050,000 above the budget request.

For payments to the 1890 land-grant colleges and Tuskegee University, the committee provides an appropriation of \$29,676,000, the same as the amount available for fiscal year 1999 and \$1,941,000 above the budget request.

RESEARCH AND EDUCATION

(In thousands of dollars)

	FY 1999 enacted	FY 2000 estimate	Committee provisions
RESEARCH AND EDUCATION ACTIVITIES			
Payments Under Hatch Act	\$180,545	\$153,672	\$180,545
Cooperative forestry research (McIntire-Stennis)	21,932	19,882	21,932
Payments to 1890 colleges and Tuskegee	29,676	27,735	29,676
Special Research Grants (P.L. 89-106):			
Aegilops cylindricum (jointed goatgrass) (WA)	360	0	360
Aflatoxin (IL)	113	0	113
Agriculture based industrial lubricants (IA)	250	0	250
Agricultural diversification (HI)	131	0	131
Agricultural diversity/Red River Corridor (MN/ND)	250	0	250
Agriculture water usage (GA)	300	0	264
Alliance for food protection (NE, GA)	300	0	200
Alternative crops (ND)	550	0	550
Alternative crops for arid lands (TX)	100	0	100
Alternative marine and fresh water species (MS)	308	0	308
Alternative salmon products (AK)	400	0	400
Animal science food safety consortium (AR, IA, KS)	1,521	0	1,521
Apple fire blight (MI, NY)	500	0	500
Aquaculture (LA)	330	0	330
Aquaculture (MS)	592	0	592
Aquaculture (VA)	100	0	100
Aquaculture product and marketing development (WV)	750	0	750
Babcock Institute, (WI)	400	0	400
Binational agriculture research and development	400	2,000	400
Biodiesel research (MO)	152	0	152
Brucellosis vacinos (MT)	150	0	150
Center for animal health and productivity (PA)	113	0	113
Center for innovative food technology (OH)	381	0	381
Center for rural studies (VT)	200	0	200
Chesapeake Bay agroecology (MD)	150	0	150
Chesapeake Bay aquaculture	385	0	385
Citrus tristeza	500	0	750
Coastal cultivars (GA)	0	0	200
Competitiveness of agricultural products (WA)	680	0	680
Contagious equine metritis (KY)	250	0	250
Cool season legume research (ID, WA)	329	0	329
Cotton research (TX)	200	0	(?)
Cranberry/blueberry (MA)	150	0	150
Cranberry/blueberry disease & breed (NJ)	220	0	220
Dairy and meat goat research (TX)	63	0	63
Delta rural revitalization (MS)	148	0	148
Designing foods for health (TX)	250	0	250
Drought mitigation (NE)	200	0	200
Ecosystems (AL)	500	0	500
Environmental research (NY)	486	0	400
Environmental risk factors/cancer (NY)	100	0	200
Expanded wheat pasture (OK)	285	0	285
Farm and rural business finance (IL)	87	0	87
Feed barley for rangeland cattle (MT)	600	0	600
Floriculture (HI)	250	0	250
Food and Agriculture Policy Research Institute (IA, MO)	800	0	800
Food irradiation (IA)	200	0	200
Food marketing policy center (CT)	400	0	400
Food processing center (NE)	42	0	42
Food quality (AK)	350	0	350

RESEARCH AND EDUCATION—Continued

[In thousands of dollars]

	FY 1999 enacted	FY 2000 estimate	Committee provisions
Food Safety	5,000	(¹)	5,000
Food safety (AL)	300	0	300
Food systems research group (WI)	225	0	225
Forestry (AR)	523	0	523
Fruit and vegetable market analysis (AZ, MO)	320	0	320
Generic commodity promotion research and evaluation (NY)	212	0	198
Global change	1,000	1,567	1,000
Global marketing support service (AR)	127	0	127
Grain sorghum (KS)	106	0	106
Grass seed cropping systems for a sustainable agriculture (WA, OR, ID)	423	0	423
Human nutrition (IA)	473	0	473
Human nutrition (LA)	752	0	752
Human nutrition (NY)	622	0	622
Hydroponic tomato production (OH)	200	0	200
Illinois-Missouri Alliance for Biotechnology	1,184	0	1,184
Improved dairy management practices (PA)	296	0	296
Improved fruit practices (MI)	445	0	445
Infectious disease research (CO)	250	0	250
Institute for Food Science and Engineering (AR)	1,250	0	1,250
Integrated production systems (OK)	180	0	180
International agricultural market structures and institutions (KY)	250	0	250
International arid lands consortium	400	0	400
Iowa biotechnology consortium	1,564	0	1,564
Livestock and dairy policy (NY, TX)	475	0	475
Lowbush blueberry research (ME)	220	0	220
Maple research (VT)	100	0	100
Meadowfoam (OR)	300	0	300
Michigan biotechnology consortium	675	0	675
Midwest advanced food manufacturing alliance	423	0	423
Midwest agricultural products (IA)	592	0	592
Milk safety (PA)	250	0	250
Minor use animal drugs	550	550	550
Molluscan shellfish (OR)	400	0	400
Multi-commodity research (OR)	364	0	364
Multi-cropping strategies for aquaculture (HI)	127	0	127
National biological impact assessment	254	254	254
Nematode resistance genetic engineering (NM)	127	0	127
Non-food uses of agricultural products (NE)	64	0	64
Oil resources from desert plants (NM)	175	0	175
Organic waste utilization (NM)	100	0	100
Pasture and forage research (UT)	225	0	225
Peach tree short life (SC)	162	0	162
Pest control alternatives (SC)	106	0	106
Phytophthora root rot (NM)	127	0	127
Plant, drought, and disease resistance gene cataloging (NM)	150	0	150
Postharvest rice straws (CA)	300	0	0
Potato research	1,300	0	1,300
Precision agriculture (KY)	500	0	500
Precision agriculture (MS)	1,000	0	1,000
Preharvest food safety (KS)	212	0	212
Preservation and processing research (OK)	226	0	226
Rangeland ecosystems (NM)	200	0	200
Regional barley gene mapping project	400	0	400
Regionalized implications of farm programs (MO, TX)	294	0	294
Rice modeling (AR)	296	0	296
Rural Development Centers (PA, IA (ND), MS, OR, LA)	523	423	523
Rural policies institute (NE, IA, MO)	644	0	644
Russian wheat aphid (CO)	200	0	200
Seafood and aquaculture harvesting, processing, and marketing (MS)	305	0	305
Small fruit research (OR, WA, ID)	300	0	300
Southwest consortium for plant genetics and water resources	338	0	338

RESEARCH AND EDUCATION—Continued

[In thousands of dollars]

	FY 1999 enacted	FY 2000 estimate	Committee provisions
Soybean cyst nematode (MO)	475	0	475
STEEP III—water quality in Northwest	500	0	500
Sustainable agriculture (CA)	0	0	300
Sustainable agriculture (MI)	445	0	445
Sustainable agriculture and natural resources (PA)	95	0	95
Sustainable agriculture systems (NE)	59	0	59
Sustainable beef supply (MT)	500	0	500
Sustainable pest management for dryland wheat (MT)	400	0	400
Swine waste management (NC)	500	0	500
Tillage, silviculture, waste management (LA)	212	0	212
Tomato wilt virus (GA)	200	0	200
Trade and policy (ND)	0	300	300
Tropical and subtropical research	2,724	0	2,724
Turkey coronavirus (IN)	200	0	200
Urban pests (GA)	64	0	0
Vidalia onions (GA)	100	0	100
Viticulture consortium (NY, CA)	1,000	0	1,000
Water conservation (KS)	79	0	79
Water quality	3,461	(¹)	3,461
Weed control (ND)	423	0	423
Wetland plants (LA)	600	0	600
Wheat genetic research (KS)	261	0	261
Wood utilization research (OR, MS, NC, MN, ME, MI, ID, TN)	5,136	0	5,136
Wool research (TX, MT, WY)	300	0	300
Unspecified reduction	0	0	—550
Total, Special Research Grants	63,116	5,094	62,916
Improved pest control:			
Emerging pest/critical issues	200	467	200
Expert IPM decision support system	177	260	177
Integrated pest management	2,731	2,731	2,731
Minor crop pest management (IR-4)	8,990	10,711	8,990
Pest management alternatives	1,623	4,200	1,623
Pesticide impact assessment	1,327	(¹)	1,327
Total, Improved pest control	15,048	18,369	15,048
Competitive research grants:			
Animals	29,000	49,000	29,000
Markets, trade and development	4,600	8,000	4,600
Nutrition, food safety and health	16,000	28,000	16,000
Natural resources and the environment	20,500	32,000	20,500
Plants	41,000	69,000	41,000
Processes and new products	8,200	14,000	8,200
Proportional reduction	0	0	—13,889
Total, Competitive research grants	119,300	200,000	105,411
Animal Health and Disease (Sec. 1433)	5,109	4,775	5,109
Alternative crops	750	.....	750
Critical Agricultural Materials Act	600	.....	600
1994 Institutions research program .....	.....	667	.....
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	2,850	3,183	2,850
Secondary agriculture education	500	.....	500
Aquaculture Centers (Sec. 1475)	4,000	4,000	4,000
Sustainable agriculture	8,000	8,500	8,000
Capacity building grants (1890 institutions)	9,200	9,200	9,200

RESEARCH AND EDUCATION—Continued

[In thousands of dollars]

	FY 1999 enacted	FY 2000 estimate	Committee provisions
Payments to the 1994 Institutions	1,552	1,500	1,552
Federal Administration:			
Agriculture development in the American Pacific	564	.....	564
Agriculture waste utilization (WV)	250	.....	250
Alternative fuels characterization laboratory (ND)	218	.....	218
Animal waste management (OK)	250	.....	250
Center for Agricultural and Rural Development (IA)	355	.....	355
Center for North American Studies (TX)	87	.....	87
Cotton research (TX)	(?)	0	200
Data information system	1,000	2,000	1,000
Geographic information system	844	.....	844
Mariculture (NC)	250	.....	250
Mississippi Valley State University	583	.....	583
National Center for Peanut Competitiveness	300	.....	300
Office of extramural programs	310	588	310
Pay costs and FERS	1,100	1,100	1,100
Peer panels	350	350	350
PM-10 study (CA, WA)	873	.....	873
Shrimp aquaculture (AZ, HI, MS, MA, SC)	3,354	.....	3,354
Total, Federal Administration	10,688	4,038	10,888
Total, Research and Education Activities	481,216	468,965	467,327

¹ For FY 2000, this program is proposed to be funded under Integrated Activities.

² Project funded under special research grants in fiscal year 1999, under Federal Administration in fiscal year 2000.

Citrus tristeza virus research.—The Committee recognizes the importance of Citrus tristeza Virus (CTV) research. The project was funded at \$750,000 in FY 1998 and \$500,000 in FY 1999 for cooperative CTV research. However, the Committee believes the most effective use of these funds is through the Special Research Grants account administered by CSREES. Funding in the amount of \$750,000 is provided in that account in FY 2000 for CTV research. The balance is to remain in support of the in-house Ft. Pierce citrus research program.

National Rural Behavioral Health Center.—In light of the continuing frequency of recent devastating natural disasters, the Committee urges the Secretary to examine the Department's full range of programs and services that might be employed to assist residents of rural areas deal with the emotional impact of these disasters. In particular, the Committee is aware of the outstanding work being done by the National Rural Behavioral Health Center at the University of Florida. Working in the wake of Hurricane Andrew and the North Dakota floods, the Center has developed model programs for training extension agents who are often the first responders in natural disasters, in crisis intervention and stress management, and to better equip them to deliver behavioral health programs to the victims of natural disasters. The Committee urges the Department, within this and other accounts, to provide support for the Center to build on its initiative and to extend the knowledge gained so that it might be used to assist rural victims of such disasters throughout the nation.

Peanut allergies.—The Committee recognizes the severe difficulties that peanut allergies cause to individuals with sensitivity to this important commodity. Progress is being made in developing

vaccines to alleviate the effects of peanut and other food allergies. To continue the progress in the research efforts, the Committee directs that \$300,000 be redirected from the competitive research grant program for process and new products, administered through the Cooperative State Research, Education, and Extension Service and these monies be directed to Peanut Allergy Research.

Special Research Grants.—One project (Cotton Research) is transferred from funding under “Special Research Grants” to “Federal Administration”.

Secondary Agriculture Education.—The Committee will expect that grants under this program will be awarded no later than January 1, 2000.

NATIVE AMERICAN INSTITUTIONS ENDOWMENT FUND

1999 appropriation	(\$4,600,000)
2000 budget estimate	(4,600,000)
Provided in the bill	(4,600,000)
Comparison:	
1999 appropriation .....	.....
2000 budget estimate .....	.....

The Native American Institutions Endowment Fund authorized by Public Law 103-382 provides authority to establish an endowment for the 1994 land-grant institutions (30 tribal controlled colleges). This program will enhance educational opportunities for Native Americans by building educational capacity at these institutions in the areas of student recruitment and retention, curricula development, faculty preparation, instruction delivery systems, and scientific instrumentation for teaching. On the termination of each fiscal year, the Secretary shall withdraw the income from the endowment fund for the fiscal year, and after making adjustments for the cost of administering the endowment fund, distribute the adjusted income as follows: sixty percent of the adjusted income from these funds shall be distributed among the 1994 land-grant institutions on a pro-rata basis, the proportionate share being based on the Indian student count; and forty percent of the adjusted income shall be distributed in equal shares to the 1994 land-grant institutions.

COMMITTEE PROVISIONS

For the Native American Institutions Endowment Fund, the Committee provides \$4,600,000, the same as the amount available in fiscal year 1999 and the same as the budget request.

EXTENSION ACTIVITIES

1999 appropriation	\$437,987,000
2000 budget estimate	401,603,000
Provided in the bill	438,987,000
Comparison:	
1999 appropriation	+1,000,000
2000 budget estimate	+37,384,000

Cooperative agricultural extension work was established by the Smith-Lever Act of May 8, 1914, as amended. The legislation authorizes the Department of Agriculture to give, through the land-grant institutions, instruction and practical demonstrations in agricultural and home economics and related subjects, and to encour-

age the application of such information by means of demonstrations, publications, and otherwise to persons not attending or a resident in the colleges. In addition, the Service provides nutrition training to low-income families, 4-H Club work, and educational assistance such as community resource development.

COMMITTEE PROVISIONS

For Extension Activities, the Committee provides an appropriation of \$438,987,000 an increase of \$1,000,000 above the amount available for fiscal year 1999 and an increase of \$37,384,000 above the budget request.

The following table reflects the amount provided by the Committee:

EXTENSION ACTIVITIES [In thousands of dollars]

	FY 1999 enacted	FY 2000 estimate	Committee provisions
Smith Lever 3(b) & 3(c)	\$276,548	\$257,753	\$276,548
Smith Lever: 3(d)			
Farm safety	3,000		3,000
Food and nutrition education (EFNEP)	58,695	61,043	58,695
Food safety	7,365	(¹)	7,365
Indian reservation agents	1,714	5,000	1,714
Pest management	10,783	12,269	10,783
Pesticide applicator training		1,500	
Pesticide impact assessment	3,214	(¹)	3,214
Rural development centers	908	908	908
Sustainable agriculture	3,309	3,309	3,309
Water quality	9,561	(¹)	9,561
Youth at risk	9,000	10,000	9,000
1890 Colleges and Tuskegee	25,843	25,090	25,843
1890 facilities grants	8,426	12,000	8,426
Renewable Resources Extension Act	3,192	3,192	3,192
Rural health and safety education	2,628		2,628
Extension services at the 1994 institutions	2,060	3,500	2,060
Subtotal	426,246	395,564	426,246
Federal Administration and special grants:			
Ag in the classroom	208	476	208
Beef producers' improvement (AR)	197		197
Delta teachers academy	3,500		3,500
Diabetes detection, prevention (WA)	550		550
Extension specialist (AR)	99		99
Extension specialist (MS)	100		100
General administration	4,787	5,563	5,787
Income enhancement demonstration (OH)	246		246
Integrated cow/calf resources management (IA)	300		300
National Center for Agriculture Safety (IA)	195		195
Pilot tech. transfer (OK, MS)	326		326
Pilot tech. transfer (WI)	163		163
Range improvement (NM)	197		197
Rural development (NM)	280		280
Rural development (OK)	150		150
Rural rehabilitation (GA)	246		246
Wood biomass as an alternative farm product (NY)	197		197
Total, Federal Administration	11,741	6,039	12,741
Total, Extension Activities	437,987	401,603	438,987

¹ Proposed to be funded under Integrated Activities account.

*Farm *A*Syst/AgrAbility.*—Within the funds provided for Extension Activities, \$500,000 for Farm *A*Syst voluntary pollution prevention programs, and \$3,055,000 for AgrAbility, of which \$1,000,000 is displayed under general administration.

4-H After School Program, Los Angeles, CA.—Within the funds provided for extension activities, the Committee expects consideration for a \$420,000 innovative 4–H after school program to be administered by the Los Angeles County Cooperative Extension Office of the University of California.

INTEGRATED ACTIVITIES

1999 appropriation	0
2000 budget estimates	\$72,844,000
Provided in the bill	10,000,000
Comparison:	
1999 appropriation	+10,000,000
2000 budget estimate	–62,844,000

Section 406 of the Agricultural Research, Extension, and Education Reform Act of 1998 authorizes an integrated research, education, and extension competitive grants program. Water Quality, Food Safety, and Pesticide Impact Assessment Special Research Grants and Smith Level 3(d) programs previously shown under Research and Education and/or Extension Activities are proposed under this account.

	FY 1999 enacted	FY 2000 estimate	Committee provisions
<i>Integrated Activities:</i>			
Small farm initiative		\$4,000,000	
Water quality	(¹)	16,204,000	
Food safety	(¹)	15,000,000	
Pesticide impact assessment	(¹)	4,640,000	
Crops at risk from FQPA implementation		3,000,000	
FQPA risk mitigation program for major food crop systems		10,000,000	
Methyl bromide transition program		5,000,000	
Food recovery and gleaning		15,000,000	
Unspecified integrated activities			10,000,000
Total, Integrated Activities	(¹)	72,844,000	10,000,000

¹ Special research grants and Smith-Lever 3(d) programs for water quality (totaling \$13,022,000 in fiscal year 1999), food safety (totaling \$12,365,000 in fiscal year 1999), and pesticide impact assessment (totaling \$4,541,000 in fiscal year 1999) are proposed to be funded under Integrated Activities for fiscal year 2000.

COMMITTEE PROVISIONS

For Integrated Activities, the Committee provides an appropriation of \$10,000,000, an increase of \$10,000,000 above the amount available for fiscal year 1999 and a decrease of \$62,844,000 below the budget request.

The Committee recommends restoration of the related special research grants and Smith-Lever 3(d) programs to the fiscal year 1999 levels and recommends an appropriation under this new account to be applied to those programs showing most promise.

OFFICE OF THE UNDER SECRETARY FOR MARKETING AND
REGULATORY PROGRAMS

1999 appropriation	\$618,000
2000 budget estimate	641,000
Provided in the bill	618,000
Comparison:	
1999 appropriation .....	.....
2000 budget estimate	- 23,000

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

COMMITTEE PROVISIONS

For the Office of the Under Secretary for Marketing and Regulatory Programs, the Committee provides an appropriation of \$618,000, the same as the amount available for fiscal year 1999 and a decrease of \$23,000 below the budget request.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

SALARIES AND EXPENSES

1999 appropriation	\$425,803,000
2000 budget estimate ¹	435,445,000
Provided in the bill	440,000,000
Comparison:	
1999 appropriation	+18,197,000
2000 budget estimate	+8,555,000

¹ Does not include additional resources from the Federal Agriculture Improvement and Reform (FAIR) Act of 1996 direct appropriation.

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

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

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

Pest and Disease Management Programs.—The agency carries out programs to control and eradicate pest infestations and animal diseases that threaten the United States; reduce agricultural losses caused by predatory animals, birds, and rodents; provide technical

assistance to 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 as required by the Animal Welfare and Horse Protection Acts. These activities include inspection of certain establishments that handle animals intended for research, exhibition, and as pets, and monitoring of certain horse shows.

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

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

COMMITTEE PROVISIONS

The following table reflects the amounts provided by the Committee:

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

[In thousands of dollars]

	FY 1999 enacted	FY 2000 request	Committee provisions
1. Pest and Disease Exclusion:			
Ag. quarantine inspection	\$30,648	\$34,576	\$34,576
User fees ¹	88,000	95,000	87,000
Subtotal, AQI	118,648	129,576	121,576
Cattle ticks	4,627	4,627	5,114
Foot-and-mouth disease	3,803	3,803	3,803
Import/export inspection	6,815	7,166	7,166
International programs	7,539	8,262	8,262
Fruit fly exclusion and detection	22,970	25,204	25,204
Screwworm	30,301	30,301	30,301
Tropical bont tick	407	407	407
Total, Pest and Disease Exclusion	195,110	209,346	201,833
2. Plant and Animal Health Monitoring:			
Animal health monitoring and surveillance	63,389	67,989	67,989
Animal and plant health regulatory enforcement	5,855	6,116	6,116
National Animal Health Emergency Management System	0	1,218	627
Pest detection	6,426	6,685	6,685
Total, Plant and Animal Health Monitoring	75,670	82,008	81,417
3. Pest and Disease Management Programs:			
Aquaculture	567	567	667

ANIMAL AND PLANT HEALTH INSPECTION SERVICE—Continued

[In thousands of dollars]

	FY 1999 enacted	FY 2000 request	Committee provisions
Biological control	8,160	8,160	8,160
Boll weevil	16,209	3,320	16,209
Brucellosis eradication	11,864	9,527	9,527
Emerging plant pests	1,410	3,510	3,510
Golden nematode	435	580	580
Gypsy moth	4,366	4,366	4,366
Imported fire ant	1,000	0	400
Noxious weeds	424	2,129	2,129
Pink bollworm	1,048	1,048	1,548
Pseudorabies	4,567	4,567	4,567
Scrapie	2,991	2,991	2,991
Tuberculosis	4,920	4,920	4,920
Wildlife Services operations	29,997	28,161	29,997
Witchweed	1,506	1,506	1,506
Total, Pest and Disease Management Programs	89,464	75,352	91,077
4. Animal Care:			
Animal welfare	9,175	9,690	10,175
Horse protection	361	384	384
Total, Animal Care	9,536	10,074	10,559
5. Scientific & Technical Services:			
Biotechnology/environmental protection	7,393	9,054	9,054
Integrated systems acquisition	3,500	3,696	3,369
Plant methods development labs	4,693	4,693	4,693
Veterinary biologics	10,345	10,555	10,555
Veterinary diagnostics	15,622	16,973	16,973
Wildlife Services methods devel.	10,365	9,589	10,365
Total, Scientific and Technical Services	51,918	54,560	55,009
6. Contingency fund	4,105	4,105	4,105
Total, Salaries and Expenses	\$425,803	\$435,445	\$444,000
Recap:			
Appropriated	337,803	340,445	357,000
AQI User Fees	88,000	95,000	87,000

¹ Does not include additional resources provided in the Federal Agriculture Improvement and Reform (FAIR) Act of 1996 direct appropriations.

Agricultural Quarantine Inspection (AQI).—The Committee provides an appropriation of \$87,000,000 for the agricultural quarantine inspection user fee program, a decrease of \$1,000,000 below the amount available in fiscal year 1999 and a decrease of \$8,000,000 below the budget request.

Wildlife Services.—The Committee directs APHIS to assure, to the maximum extent possible, that all control activities be cost-shared with local sponsors. The Committee also expects APHIS to continue work related to blackbird damage control in Louisiana. The Committee provides \$1,845,000 for support and expansion of rabies control including domestic programs and international collaboration. The Committee expects the program to target rabies in raccoons in the midwestern and eastern states and coyotes and gray foxes in Texas. Of this amount, the Committee expects a minimum of \$400,000 to be targeted to rabies problems in New York state.

The Committee expects APHIS to intensify its efforts in both research and operations to control migratory fish-eating birds, such as the double crested cormorant, which are causing serious problems to the Southeastern aquaculture industry.

The Committee provides the same level of funding for wildlife services operations as for fiscal year 1999 and directs the Department to maintain at least the current level of aviation operations and aviation safety.

The Committee provides \$500,000 for research and evaluation of nicarbazin as a means of controlling goose and other avian populations to increase airport safety.

Avocados.—The Committee urges the Animal and Plant Health Inspection Service to continue working with U.S. avocado growers in implementing procedures for the safe importation of Mexican avocados. The Committee directs APHIS to report on the status of Mexican avocado imports including any problems in pest surveys, oversight by APHIS personnel and importation, including diversion of Mexican avocados to other than approved destinations.

Imported Fire Ant.—The Committee supports the development of a program for the control, management, and eradication of the imported fire ant and provides \$400,000 for this program of which \$58,000 is for fire ant management, control and eradication in New Mexico.

Hog cholera.—The Committee believes there is a very high risk of introduction of hog cholera into the United States due to the presence of the disease in the Caribbean. The Committee believes this should be viewed as an emergency situation and the following efforts should be undertaken: (1) preclearance of passengers entering the United States from high risk countries; (2) enhanced surveillance of high risk U.S. herds; (3) enforcement of the Swine Health Protection Act; and (4) improved training and educational efforts for state and Federal animal health officials and accredited veterinarians.

Methods Development.—The Committee expects that activities funded by this appropriation shall continue to be carried out by APHIS Wildlife Services and in full cooperation with state wildlife management agencies and the International Association of Fish and Wildlife Agencies.

National Farm Animal Identification and Records Project for Dairy Cattle.—The Committee provides continued funding at the fiscal year 1999 level for the National Farm Animal Identification and Records Project for Dairy Cattle to be coordinated with the Holstein Association.

Sanitary and Phytosanitary Standards.—The Committee expects that imported products will be subjected to the same sanitary and phytosanitary standards as domestic products and those that do not meet the U.S. standards will be rejected. APHIS should provide adequate staffing levels at the borders and ports of entry to ensure that sanitary and phytosanitary standards are upheld.

Screwworm.—The Committee notes that the transfer of the screwworm facility in Chiapas, Mexico in several years may add to serious unemployment problems in the area. The Committee directs APHIS to work with other appropriate USDA and multinational agencies to develop possible solutions, including agricul-

tural production cooperatives, which do not compete with U.S. agricultural production.

Citrus Canker.—The Committee notes that the Department has allocated \$25,000,000 from Commodity Credit Corporation (CCC) emergency funds to combat citrus canker in Florida. The Committee commends the Department for this decision and its collaboration with state agencies in Florida. The Committee recognizes that the eradication of citrus canker is a long-term challenge and encourages the Department to continue use of CCC funds for this critical endeavor

Asian Longhorned Beetle.—The Committee is aware of the serious threat to trees in New York and other states and directs the Department to continue its prevention and eradication efforts using CCC emergency funds and Emerging Plant Pest funds as necessary.

Aquaculture.—The Committee provides an appropriation of \$667,000 for aquaculture of which \$100,000 is to support a wildlife biologist at the northwest Florida Aquaculture Farm in Blountstown, FL to serve north Florida, southeast Alabama and southwest Georgia.

Boll Weevil.—The Committee encourages APHIS to continue to provide monitoring and technical assistance as needed for cotton boll weevil detection and eradication in New Mexico.

Brucellosis.—The Committee directs the Department to provide assistance to the Idaho Wildlife Brucellosis Plan including as much funding as possible.

Blackbird.—The Committee urges the Department to implement, if feasible, a baiting program to control blackbird damage to sunflowers.

Animal Health Monitoring and Surveillance.—Of the funds provided in this account the Committee provides not less than \$750,000 for the National Poultry Improvement Program.

Pink Bollworm Eradication.—The Committee recognizes the significant economic losses caused by pink bollworm infestation in Arizona, California, New Mexico and western Texas. The Committee understands that growers in Arizona plan to begin a three (3) year cost-shared PBW eradication program, which combines the use of sterile moths, Bt cotton varieties and limited application of conventional pesticides, and that this program will be expanded to include New Mexico and western Texas over the next six (6) years. While the Committee was unable to increase funding to the level requested by growers for the APHIS cost-share, it understands that initiation of this program is time sensitive. The Committee therefore expects the Secretary to instruct APHIS to utilize all available resources to provide financial assistance, in addition to the direct appropriation and grower assessments, to operate the program during this fiscal year.

APHIS Operations at Miami International Airport.—Miami International Airport (MIA) is the nation's busiest international cargo and second busiest international passenger airport, handling over 2 million tons of cargo and 34 million passengers annually. The Committee is concerned about increasing delays in time in transit, duties and processing paperwork burdens attributable to shipment of goods and arriving passengers at MIA. The Committee therefore

encourages the U.S. Department of Agriculture to provide additional positions for APHIS cargo and passenger inspection operations at MIA.

BUILDINGS AND FACILITIES

1999 appropriation	\$7,700,000
2000 budget estimate	7,200,000
Provided in the bill	7,200,000
Comparison:	
1999 appropriation	- 500,000
2000 budget estimate	

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

COMMITTEE PROVISIONS

For Animal and Plant Health Inspection Service, Buildings and Facilities, the Committee provides an appropriation of \$7,200,000, a decrease of \$500,000 below the amount available for fiscal year 1999 and the same as the budget request.

AGRICULTURAL MARKETING SERVICE

MARKETING SERVICES

1999 appropriation	\$48,831,000
2000 budget estimate	60,182,000
Provided in the bill	49,152,000
Comparison:	
1999 appropriation	+321,000
2000 budget estimate	- 11,030,000

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

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

COMMITTEE PROVISIONS

For Marketing Services of the Agricultural Marketing Service, the Committee provides an appropriation of \$49,152,000, an increase of \$321,000 above the amount available for fiscal year 1999 and a decrease of \$11,030,000 below the budget request.

The Committee has included \$321,000 for wholesale market development as it relates to identifying alternative market strategies and enhancing marketing opportunities for small farmers.

The Committee expects implementation of the Organic Certification Program to continue and that a final rule will be published in fiscal year 2000.

The Committee is aware that the Department guidelines for commodity purchase programs relating to small businesses effectively prohibit many farmer cooperatives from participating in such programs. The Committee has included a general provision that the USDA does not prohibit eligibility or participation by farmer-owned cooperatives in the commodity purchase program.

The Committee expects the AMS to assist in determining the feasibility of upgrading the Montgomery State Farmers Market in Montgomery, Alabama.

The Committee encourages the AMS to assist in determining the feasibility of a regional farmers market in Suffolk County, New York.

LIMITATION ON ADMINISTRATIVE EXPENSES

1999 limitation	(\$60,730,000)
2000 budget limitation	(60,730,000)
Provided in the bill	(60,730,000)
Comparison:	
1999 limitation .....	.....
2000 budget limitation .....	.....

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

COMMITTEE PROVISIONS

For a Limitation on Administrative Expenses of the Agricultural Marketing Service, the Committee provides \$60,730,000, the same as the amount available for fiscal year 1999 and the same as the budget request.

FUNDS FOR STRENGTHENING MARKETS, INCOME, AND SUPPLY

(SECTION 32)

MARKETING AGREEMENT AND ORDERS

1999 appropriation	(\$10,998,000)
2000 budget estimate	(12,443,000)
Provided in the bill	(12,443,000)
Comparison:	
1999 appropriation	+1,445,000
2000 budget estimate .....	.....

The Act of August 24, 1935, appropriates 30 percent of all customs receipts for: (a) encouraging exports of agricultural commod-

ities; (b) encouraging domestic consumption of agricultural commodities by diversion to alternative outlets or by increasing their utilization; and (c) reestablishing the farmers' purchasing power.

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

The following table reflects the status of this fund for fiscal years 1998 through 2000:

ESTIMATED TOTAL FUNDS AVAILABLE AND BALANCE CARRIED FORWARD, FISCAL YEARS 1998–2000

	FY 1998 actual	FY 1999 current estimate	FY 2000 current estimate
Appropriation (30 percent of customs receipts)	\$5,730,107,608	\$5,701,865,817	\$5,735,557,955
Less transfers:			
Food and Nutrition Service	– 5,151,391,000	– 5,048,150,000	– 4,935,199,000
Commerce Department	– 65,734,190	– 66,426,288	– 69,920,523
Total, transfers	– 5,217,125,190	– 5,114,576,288	– 5,005,119,523
Budget authority	512,982,418	587,289,529	730,438,432
Unobligated balance available, start of year	233,868,235	131,966,602	105,588,209
Recoveries of prior year obligations	11,455,285	0	0
Available for obligation	758,305,938	719,256,131	836,026,641
Less obligations:			
Commodity procurement:			
Child nutrition purchases	400,000,000	400,000,000	400,000,000
Emergency surplus removal	194,774,097	141,800,922	115,000,000
Diversion payments	0	54,000,000	0
Disaster relief	15,200,000	0	0
Total, commodity procurement	609,974,097	595,800,922	515,000,000
Administrative funds:			
Commodity purchase service	6,175,767	6,869,000	8,584,000
Marketing agreements and orders	10,189,472	10,998,000	12,443,000
Total, administrative funds	16,365,239	17,867,000	21,027,000
Total, obligations	626,339,336	613,667,922	536,027,000
Carryout	131,966,602	105,588,209	299,999,641
Unobligated balance available, end of year	131,966,602	105,588,209	299,999,641

COMMITTEE PROVISIONS

For the Marketing Agreements and Orders Program, the Committee provides a transfer from section 32 funds of \$12,443,000, an increase of \$1,445,000 above the amount available for fiscal year 1999 and the same as the budget request.

PAYMENTS TO STATES AND POSSESSIONS

1999 appropriation	\$1,200,000
2000 budget estimate	1,200,000
Provided in the bill	1,200,000
Comparison:	
1999 appropriation .....	.....
2000 budget estimate .....	.....

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

COMMITTEE PROVISIONS

For Payments to States and Possessions, the Committee provides an appropriation of \$1,200,000, the same as the amount available for fiscal year 1999 and the same as the budget request.

GRAIN INSPECTION, PACKERS AND STOCKYARDS ADMINISTRATION

SALARIES AND EXPENSES

1999 appropriation	\$26,787,000
2000 budget estimate	26,448,000
Provided in the bill	26,448,000
Comparison:	
1999 appropriation	- 339,000
2000 budget estimate .....	.....

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

COMMITTEE PROVISIONS

For Grain Inspection, Packers and Stockyards Administration, the Committee provides \$26,448,000, a decrease of \$339,000 below the amount available for fiscal year 1999 and the same amount as the budget request.

The Committee has included an increase of \$636,000 for packer competition and industry concentration, and an increase of \$750,000 for poultry compliance activities.

LIMITATION ON INSPECTION AND WEIGHING SERVICES EXPENSES

1999 limitation	(\$42,557,000)
2000 budget limitation	(42,557,000)
Provided in the bill	(42,557,000)
Comparison:	
1999 limitation	(.....)
2000 budget limitation	(.....)

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

COMMITTEE PROVISIONS

The Committee includes a limitation on inspection and weighing services expenses of \$42,557,000, the same as the amount available for fiscal year 1999 and the same as the budget request. The bill includes authority to exceed by 10 percent the limitation on inspection and weighing services with notification to the Appropriations Committees. This allows for flexibility if export activities require additional supervision and oversight or other uncontrollable factors occur.

OFFICE OF THE UNDER SECRETARY FOR FOOD SAFETY

1999 appropriation	\$446,000
2000 budget estimate	469,000
Provided in the bill	446,000
Comparison:	
1999 appropriation .....	.....
2000 budget estimate	- 23,000

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

COMMITTEE PROVISIONS

For the Office of the Under Secretary for Food Safety, the Committee provides an appropriation of \$446,000, the same as the amount provided for fiscal year 1999 and a decrease of \$23,000 below the budget request.

FOOD SAFETY AND INSPECTION SERVICE

1999 appropriation	\$616,986,000
2000 budget estimate	652,955,000
Provided in the bill	652,955,000
Comparison:	
1999 appropriation	+35,969,000
2000 budget estimate .....	.....

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

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

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

COMMITTEE PROVISIONS

For the Food Safety and Inspection Service, the Committee provides an appropriation of \$652,955,000, an increase of \$35,969,000 above the amount available for fiscal year 1999 and the same as the budget request.

The Committee has provided the full amount requested in the fiscal year 2000 budget for the Food Safety Initiative and inspection costs.

The Committee directs FSIS to produce a report describing the operation of its recall coordinator. The report should include the number of individuals in the recall coordinator's office, their job descriptions and the total office budget for fiscal years 1999 and 2000. The report should further include a description of the scope of the recall coordinator's authority and how the coordinator works with industry and with other federal agencies. The report should also include a description of the coordinator's activities during several recent meat and/or poultry recalls. The report should be delivered to the Committee no later than January 30, 2000.

Food safety activities are one of the highest priorities of the Congress and the Administration. In February, the Food Safety and Inspection Service (FSIS) published proposed rules to allow the use of irradiation on red meat. Approval of these rules will provide important progress for safer food products. The Secretary is urged to accelerate the review and approval of the proposed rules. Additionally, the Committee directs the FSIS and the Food and Drug Administration (FDA) to promptly complete their December 1995 proposal to harmonize and improve the efficiency of procedures used by the agencies for reviewing and approving the use of substances, including irradiation, in meat and poultry products. The Committee

expects such a regulation would eliminate duplicative review and unnecessary delays in the approval of irradiation for USDA regulated products.

FARM ASSISTANCE PROGRAMS

OFFICE OF THE UNDER SECRETARY FOR FARM AND FOREIGN AGRICULTURAL SERVICES

1999 appropriation	\$572,000
2000 budget estimate	595,000
Provided in the bill	572,000
Comparison:	
1999 appropriation .....	.....
2000 budget estimate	- 23,000

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 economic development) and commodity programs. The Office has oversight and management responsibilities for the Farm Service Agency (which includes the Commodity Credit Corporation), the Risk Management Agency, and the Foreign Agricultural Service.

COMMITTEE PROVISIONS

For the Office of the Under Secretary for Farm and Foreign Agricultural Services, the Committee provides an appropriation of \$572,000, the same as the amount available for fiscal year 1999 and a decrease of \$23,000 below the budget request.

FARM SERVICE AGENCY

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

Agricultural market transition program.—The Federal Agriculture Improvement and Reform Act of 1996, P.L. 104-127 (1996 Act), enacted April 4, 1996, mandates that the Secretary offer individuals with eligible cropland acreage the opportunity for a one-time signup in a 7-year, production flexibility contract. Depending on each contract, a participant's prior contract-crop acreage history and payment yield, as well as total program participation, each contract participant shares a portion of a statutorily-specified annual dollar amount. In return, participants must comply with certain requirements regarding land conservation, wetland protection, planting flexibility, and agricultural use. Contract crops, for the purposes of determining eligible cropland and payments, include wheat, corn, grain sorghum, barley, oats, upland cotton, and rice.

This program does not include any production adjustment 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. Producers have the option of taking a loan deficiency payment, if available, in lieu of the marketing assistance loan.

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

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

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

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

The 1996 Act created new conservation programs to address high priority environmental protection goals and authorized CCC funding for many of the existing and new conservation programs. The

Natural Resources Conservation Service administers many of the programs financed through the CCC.

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

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

Risk management.—Includes the 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

	<i>Appropriation</i>	<i>Transfer from program accts.</i>	<i>Total, FSA, S&E</i>
1999 appropriation	¹ \$714,499,000	(\$211,265,000)	¹ (\$925,764,000)
2000 budget estimate	794,839,000	(211,378,000)	(1,006,217,000)
Provided in the bill	794,839,000	(211,378,000)	(1,006,217,000)
Comparison:			
1999 appropriation	+80,340,000	(+113,000)	(+80,453,000)
2000 budget estimate ..			

¹Excludes \$40,000,000 in supplemental funding provided by P.L. 105-277 and supplemental funding of \$42,753,000 provided by H.R. 1141, which passed the House on March 24, 1999.

COMMITTEE PROVISIONS

For Salaries and Expenses of the Farm Service Agency (FSA), the Committee provides an appropriation of \$794,839,000 and transfers from other accounts of \$211,378,000, for a total program level of \$1,006,217,000. This is an increase of \$80,453,000 above the amount available for fiscal year 1999 (excluding supplementals) and the same as the budget request.

The Committee expects the Agency to target lending in farm loan and assistance programs to those in most economic need.

Conservation Reserve Program.—The Committee directs, pursuant to P.L. 99-198, Title 12, section 1230 of the Food Security Act of 1985 as amended, the U.S. Department of Agriculture to extend the deadline for the completion of the thinning of pine trees on lands enrolled in the Conservation Reserve Program (CRP) to October 1, 2003.

County Offices.—The Committee is concerned about any Departmental plans to close FSA county offices at a time when the FSA office network is essential to helping farmers address critical economic and environmental issues. The Committee reiterates its strong view that no county office closure or consolidation should occur except in those locations for which closures and relocations

are supported by rigorous analysis to ensure actions are cost effective, and that services available to the public will not be reduced.

STATE MEDIATION GRANTS

1999 appropriation	\$2,000,000
2000 budget estimate	4,000,000
Provided in the bill	4,000,000
Comparison:	
1999 appropriation	+2,000,000
2000 budget estimate	

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 FSA. Grants will be solely for operation and administration of the state's agricultural mediation program.

COMMITTEE PROVISIONS

For State Mediation Grants, the Committee provides an appropriation of \$4,000,000, an increase of \$2,000,000 above the amount available in fiscal year 1999 and the same as the budget request.

DAIRY INDEMNITY PROGRAM

1999 appropriation	\$450,000
2000 budget estimate	450,000
Provided in the bill	450,000
Comparison:	
1999 appropriation	
2000 budget estimate	

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

COMMITTEE PROVISIONS

For the Dairy Indemnity Program, the Committee provides an appropriation of \$450,000, the same as the amount available for fiscal year 1999 and the same as the budget request.

AGRICULTURAL CREDIT INSURANCE FUND PROGRAM ACCOUNT

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

Operating Loans.—Makes loans to farmers and ranchers for costs incident to reorganizing a farming system for more profitable oper-

ations, for a variety of essential farm operating expenses such as purchase of livestock, farm equipment, feed, seed, fertilizer, and farm supplies; for refinancing land and water development, use, and conservation; for refinancing indebtedness; for other farm and home needs; and for loan closing costs.

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

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

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

Boll Weevil Eradication Loans.—Makes loans to assist foundations in financing the operation of boll weevil eradication programs provided to farmers.

ESTIMATED LOAN LEVELS

1999 loan level	(\$2,284,958,000)
2000 budget estimate	(3,008,734,000)
Provided in the bill	(3,008,734,000)
Comparison:	
1999 loan level	(+723,776,000)
2000 budget estimate	

NOTE.—Excludes supplemental 1999 appropriations of \$31,405,000 provided by P.L. 105-277 to support a loan level of \$540,510,000 and supplemental 1999 appropriations of \$109,609,000 to support a loan level of \$1,095,000,000 provided by H.R. 1141, which passed the House on March 24, 1999.

This fund makes the following loans to individuals: farm ownership, farm operating, and emergency. In addition, the fund makes loans to associations for Indian tribe land acquisition, and boll weevil eradication.

COMMITTEE PROVISIONS

Approximate loan levels provided by the Committee for fiscal year 2000 for the agricultural credit insurance fund programs are: \$559,422,000 for farm ownership loans, of which \$128,049,000 is for direct loans and \$431,373,000 is for guaranteed loans; \$2,295,284,000 for farm operating loans, of which \$500,000,000 is for direct loans, \$97,442,000 is for guaranteed subsidized loans, and \$1,697,842,000 is for guaranteed unsubsidized loans; \$1,028,000 for Indian tribe land acquisition loans; \$53,000,000 for emergency disaster loans; and \$100,000,000 for boll weevil eradication loans.

AGRICULTURE CREDIT PROGRAMS

[In thousands of dollars]

	FY 1999 level	FY 2000 estimate	Committee provisions
Farm loan programs:			
Farm ownership:			
Direct	(\$85,651)	(\$128,049)	(\$128,049)
Guaranteed	(425,031)	(431,373)	(431,373)
Farm operating:			
Direct	(500,000)	(500,000)	(500,000)
Unsubsidized guaranteed	(948,276)	(1,697,842)	(1,697,842)
Subsidized guaranteed	(200,000)	(97,442)	(97,442)
Emergency disaster	(25,000)	(53,000)	(53,000)
Indian tribe land acquisition	(1,000)	(1,028)	(1,028)
Boll Weevil Eradication	(100,000)	(100,000)	(100,000)
Total, farm loans	(\$2,284,958)	(\$3,008,734)	(\$3,008,734)

AExcludes \$540,510,000 in 1999 supplemental loan level provided by P.L. 105-277 and \$1,095,000,000 in 1999 supplemental loan level provided by H.R. 1141, which passed the House on March 24, 1999.

ESTIMATED LOAN SUBSIDY AND ADMINISTRATIVE EXPENSES LEVELS

	<i>Direct loan subsidy</i>	<i>Guaranteed loan subsidy</i>	<i>Administrative expenses</i>
1999 appropriation	\$54,465,000	\$35,238,000	\$219,861,000
2000 budget estimate	42,379,000	34,941,000	214,161,000
Provided in the bill	42,379,000	34,941,000	214,161,000
Comparison:			
1999 appropriation	- 12,086,000	- 297,000	- 5,700,000
2000 budget estimate			

AExcludes supplemental 1999 appropriations of \$31,405,000 provided by P.L. 105-277 and supplemental 1999 appropriations of \$109,609,000, including \$4,000,000 in loan program expenses, provided by H.R. 1141, which passed the House on March 24, 1999.

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 2000, as well as for administrative expenses.

COMMITTEE PROVISIONS

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

	FY 1999 estimate	FY 2000 estimate	Committee provisions
Loan subsidies:			
Farm ownership:			
Direct	\$12,822,000	\$4,827,000	\$4,827,000
Guaranteed	6,758,000	2,416,000	2,416,000
Subtotal	19,580,000	7,243,000	7,243,000
Farm operating:			
Direct	34,150,000	29,300,000	29,300,000
Guaranteed unsubsidized	11,000,000	23,940,000	23,940,000
Guaranteed subsidized	17,480,000	8,585,000	8,585,000
Subtotal	62,630,000	61,825,000	61,825,000
Boll weevil eradication	1,440,000	0	0
Indian tribe land acquisition	153,000	21,000	21,000

	FY 1999 estimate	FY 2000 estimate	Committee provisions
Emergency disaster	5,900,000	8,231,000	8,231,000
Total, Loan subsidies	89,703,000	77,320,000	77,320,000
ACIF expenses:			
Salaries and expenses	209,861,000	209,861,000	209,861,000
Administrative expenses	10,000,000	4,300,000	4,300,000
Total, ACIF expenses	\$219,861,000	\$214,161,000	\$214,161,000

^AExcludes supplemental 1999 appropriations of \$31,405,000 provided by P.L. 105-277 and supplemental 1999 appropriations of \$109,969,000, including \$4,000,000 in loan program expenses, provided by H.R. 1141, which passed the House on March 24, 1999.

The committee directs the Secretary to consider State Agencies authorized to carry out boll weevil eradication program and eligible to receive APHIS cost share with respect to their boll weevil eradication efforts as eligible grower organizations for the purposes of the FSA Boll Weevil Eradication Loan Program. The committee also directs the Secretary to make funds available under the Boll Weevil Eradication Loan Program to eligible grower organizations who may be able to get credit from other sources if such private credit cannot be made at similar rates and terms to those available under this program.

RISK MANAGEMENT AGENCY

1999 appropriation	\$64,000,000
2000 budget estimate	70,716,000
Provided in the bill	70,716,000
Comparison:	
1999 appropriation	+6,716,000
2000 budget estimate	

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

RMA manages program activities in support of the Federal crop insurance program as authorized by the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994 and the FAIR Act of 1996. Functional areas of RMA are research and development, insurance services, and compliance whose functions include policy formulation and procedures and regulations development. Reviews and evaluations are conducted for overall performance to ensure the actuarial soundness of the insurance program.

COMMITTEE PROVISIONS

For the Risk Management Agency, the Committee provides an appropriation of \$70,716,000, an increase of \$6,716,000 above the amount available for fiscal year 1999 and the same as the budget request.

SUPPORT SERVICES BUREAU

Appropriations Act, 1999 .....	.....
Budget Estimate, 2000	\$74,050,000
Provided in the bill .....	.....
Comparison:	
1999 appropriation .....	.....
2000 budget estimate	- 74,050,000

Since 1993, the county-based agencies have been implementing streamlining plans to cut red tape and colocate offices in the same county, with the goal of providing "one-stop service" for USDA customers. The next phase involves converging the administrative organizations of these separate agencies. The Budget proposes the establishment of a new Support Services Bureau (SSB) account to centrally fund the administrative support services common to each of the county-based agencies. This account would directly support the ongoing Service Center Modernization initiative. The SSB would reflect the combined costs of the agencies' administrative functions and would allow common services such as information technology, financial management, and human resources to be shared among the Farm Service Agency (FSA), the Rural Development (RD) mission area, and the Natural Resources Conservation Service (NRCS).

The SSB would be financed by a combination of direct appropriations and transfers from the serviced agencies. The establishment of a single account would provide an efficient mechanism to effect the necessary fund transfers to support the bureau.

COMMITTEE PROVISIONS

The Committee recommends no direct appropriation for the Support Services Bureau. If the Department wishes to proceed with this organizational structure, it is the Committee's view that it should be financed entirely by administrative transfers from the services agencies.

Administrative Convergence.—The Committee reiterates its strong view that no office consolidation should occur except in those locations for which closures and relocations are supported by rigorous analysis to ensure such actions are cost effective, and that services available to the public will not be reduced.

CORPORATIONS

FEDERAL CROP INSURANCE CORPORATION FUND

1999 appropriation	¹ \$1,504,036,000
2000 budget estimate	¹ 997,000,000
Provided in the bill	997,000,000
Comparison:	
1999 appropriation	- 507,036,000
2000 budget estimate .....	.....

¹Estimated amounts. The 1999 appropriations bill provided such sums as may be necessary to administer the program. The FY 2000 proposed appropriation will do the same. In FY 2000 the budget proposes to apply a portion of the unobligated balance to cover expenses in FY 2000 thus reducing the appropriation needed.

The Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994 was designed to replace the

combination of crop insurance and ad hoc disaster payment programs with a strengthened crop insurance program.

Producers of insurable crops are eligible to receive a basic level of protection against catastrophic losses, which cover 50 percent of the normal yield at 55 percent of the expected price. The only cost to the producer is an administrative fee of \$60 per crop per policy, or \$200 for all crops grown by the producer in a county, with a cap of \$600 regardless of the number of crops and counties involved. At least catastrophic (CAT) coverage was required for producers who participate in the commodity support, farm credit, and certain other farm programs. This coverage was available either through FSA local offices or private insurance companies. Under the Federal Agriculture Improvement and Reform (FAIR) Act of 1996, producers have the option of waiving their eligibility for emergency crop loss assistance instead of obtaining CAT coverage required to meet program requirements. Emergency loss assistance does not include emergency loans or payment under the noninsured assistance program (NAP), which is administered by FSA. Beginning with the 1997 crop, the Secretary began phasing out delivery of CAT coverage through the FSA offices, except in those areas where there are insufficient private insurance providers. The private companies serve as the sole source for CAT coverage.

The Reform Act of 1994 also provided 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 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 established as part of the Risk Management Agency, under the FAIR Act of 1996, the NAP program was shifted to FSA and has been incorporated into the Commodity Credit Corporation program activities.

COMMITTEE PROVISIONS

For the Federal Crop Insurance Corporation Fund, the Committee provides an appropriation of such sums as may be necessary, the same as provided in fiscal year 1999 and the same as the budget request.

COMMODITY CREDIT CORPORATION FUND

The Corporation was organized on October 17, 1933, under the laws of the State of Delaware, as an agency of the United States, and was managed and operated in close affiliation with the Recon-

struction Finance Corporation. On July 1, 1939, it was transferred to the Department of Agriculture by the President's Reorganization Plan No. 1. On July 1, 1948, it was established as an agency and instrumentality of the United States under a permanent Federal charter by Public Law 80-806, as amended. Its operations are conducted pursuant to this charter and other specific legislation.

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

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

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

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

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

The Corporation is managed by a board of directors appointed by the President and confirmed by the Senate, subject to the general supervision and direction of the Secretary of Agriculture, who is ex officio, a director, and chairman of the board. The board consists of six members, in addition to the Secretary, who are designated according to their positions in the Department of Agriculture.

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

The Corporation has an authorized capital stock of \$100 million held by the United States and authority to borrow up to \$30 billion. Funds are borrowed from the Federal Treasury and may also be borrowed from private lending agencies.

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

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

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

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

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

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

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

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

(g) Carry out conservation or environmental programs authorized by law.

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

REIMBURSEMENT FOR NET REALIZED LOSSES

1999 appropriation	\$8,439,000,000
2000 budget estimate	¹ 14,368,000,000
Provided in the bill	14,368,000,000
Comparison:	
1999 appropriation	+5,929,000,000
2000 budget estimate .....	.....

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

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

COMMITTEE PROVISIONS

For Reimbursement for Net Realized Losses to the Commodity Credit Corporation, the Committee provides \$14,368,000,000, an increase of \$5,929,000,000 above the amount provided in fiscal year 1999 and the same as the budget request.

OPERATIONS AND MAINTENANCE FOR HAZARDOUS WASTE
MANAGEMENT

1999 limitation	(\$5,000,000)
2000 budget estimate	(5,000,000)
Provided in the bill	(5,000,000)
Comparison:	
1999 limitation .....	.....
2000 budget estimate .....	.....

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

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

COMMITTEE PROVISIONS

For CCC Operations and Maintenance for Hazardous Waste Management, the Committee provides a limitation of \$5,000,000, the same as the amount available for fiscal year 1999 and the same as the budget request.

TITLE II—CONSERVATION PROGRAMS

OFFICE OF THE UNDER SECRETARY FOR NATURAL RESOURCES AND ENVIRONMENT

1999 appropriation	\$693,000
2000 budget estimate	721,000
Provided in the bill	693,000
Comparison:	
1999 appropriation .....	.....
2000 budget estimate	- 28,000

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 PROVISIONS

For the Office of the Under Secretary for Natural Resources and Environment, the Committee provides an appropriation of \$693,000, the same as the amount available for fiscal year 1999 and a decrease of \$28,000 below the budget request.

NATURAL RESOURCES CONSERVATION SERVICE

NRCS, formerly the Soil Conservation Service (SCS), is the lead Federal conservation agency for private land. SCS was established in 1935 to carry out a continuing program of soil and water conservation on the Nation's private and non-Federal land. NRCS was established by the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6962). The agency combines the authorities of the former SCS and directs financial or technical assistance programs for natural resource conservation.

NRCS provides America's private land conservation through local conservation districts to individuals, communities, watershed groups, tribal governments, Federal, state, and local agencies, and others. The NRCS staff at the local level work with state and local conservation staff and volunteers in a partnership to assist individuals and communities to care for natural resources. NRCS also develops technical guidance for conservation planning and assistance. This technical guidance is tailored to local conditions and is widely used by NRCS staff and governmental and nongovernmental organizations to ensure that conservation is based on sound science.

The benefits of these activities are multifaceted, including sustained and improved agricultural productivity; cleaner, safer, and more dependable water supplies; reduced damages caused by floods and other natural disasters; and an enhanced natural resource

base to support continued economic development, recreation, and the environment.

CONSERVATION OPERATIONS

1999 appropriation	\$641,243,000
2000 budget estimate	680,679,000
Provided in the bill	654,243,000
Comparison:	
1999 appropriation	+13,000,000
2000 budget estimate	- 26,436,000

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

COMMITTEE PROVISIONS

For Conservation Operations, the Committee provides an appropriation of \$654,243,000, an increase of \$13,000,000 above the amount available for fiscal year 1999 and a decrease of \$26,436,000 below the budget request. The Committee notes that approximately \$25,000,000 in the budget request was for programs that would not have a direct impact on maintaining the field network of Federal employees. The Committee has included \$15,000,000 in each of the last four fiscal years for the grazing lands conservation initiative and expects the agency to continue this funding level in fiscal year 2000.

The Committee does not concur with the budget request to transfer \$31,050,000 from the Conservation Operations account to the Support Services Bureau.

The Committee has included a limitation that allows 120,000 additional acres to be enrolled in the wetlands reserve program instead of the 199,826 additional acres as the budget proposes; and a limitation on the funding level for the environmental quality incentives program (EQIP) of \$174,000,000. The savings from these limitations are used to protect funding for the conservation operations account.

The Committee has provided for the continuation of the following projects: \$400,000 to promote pastureland management and rotational grazing in Central New York; \$250,000 to establish best management practices to individual farmers to reduce the impact of agriculture-related non-point sources of pollution in the Skaneateles and Owasco, New York watersheds; \$250,000 to address agriculture non-point source pollution in the Onondaga Lake

Watershed; \$600,000 for the Great Lakes Basin Program for Soil and Erosion Sediment Control; \$250,000 for technical assistance to the Westchester Soil and Conservation District for a partnership with the Environmental Protection Agency to address land use and water quality issues affecting the Long Island Sound; \$250,000 for technical assistance for environmental restoration activities for Beaver Swamp Brook; \$100,000 for the Trees Forever Program in Iowa; \$100,000 for the Potomac and Ohio River Basin soil nutrient project; and, fiscal year 1999 funding and staffing levels in support of Chesapeake Bay activities.

The Committee is aware that the NRCS has implemented new accountability systems. The Committee encourages NRCS to use these systems to identify and document appropriate technical assistance levels for all conservation programs including the conservation reserve program, wetlands reserve program, and the EQIP.

The Committee recognizes the long-term nature of the technical assistance work associated with EQIP contracts, and recommends that the technical assistance component be reimbursed for all costs associated with new and existing contracts.

The Committee encourages the NRCS to allocate EQIP funds to the maximum extent possible to conduct voluntary on-farm assessments for the pork industry's On-Farm Odor/Environmental Assistance Program.

The Committee expects the USDA to give consideration for utilizing financial or educational assistance under EQIP for pilot work to evaluate and assess the effectiveness of best management practices to assist livestock producers in the Bosque River watershed in Texas.

The Committee expects the NRCS to give consideration to the Toledo Harbor Pilot Project to reduce sedimentation from agricultural run-off.

WATERSHED SURVEYS AND PLANNING

1999 appropriation	\$10,368,000
2000 budget estimate	11,732,000
Provided in the bill	10,368,000
Comparison:	
1999 appropriation .....	.....
2000 budget estimate	- 1,364,000

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

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

and related land resources, and as a basis of coordination of this development with downstream and other phases of water development.

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

COMMITTEE PROVISIONS

For Watershed Surveys and Planning, the Committee provides an appropriation of \$10,368,000, the same as the amount available for fiscal year 1999 and a decrease of \$1,364,000 below the budget request.

WATERSHED AND FLOOD PREVENTION OPERATIONS

1999 appropriation	\$99,443,000
2000 budget estimate	83,423,000
Provided in the bill	99,443,000
Comparison:	
1999 appropriation .....	.....
2000 budget estimate	+16,020,000

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

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

COMMITTEE PROVISIONS

For Watershed and Flood Prevention Operations, the Committee provides an appropriation of \$99,443,000, the same as the amount available for fiscal year 1999 and an increase of \$16,020,000 above the budget request. Language is included which limits the amount

spent on technical assistance to not more than \$47,000,000. The Committee expects more funding to be spent on completing ongoing projects and reducing the backlog of watershed projects.

The Committee is aware of and expects progress to continue on the following projects: the four pilot projects in North Florida related to dairy and poultry cleanup efforts; the Chino Hills Dairy Preserve Project in San Bernardino, California; the Stillwater Creek Flood Project in Oklahoma; and the McCoy Wash Watershed Project in Blythe, California.

The Committee expects the NRCS to provide financial assistance to the Salinas Valley Water Project in Monterey County, California.

RESOURCE CONSERVATION AND DEVELOPMENT

1999 appropriation	\$35,000,000
2000 budget estimate	35,265,000
Provided in the bill	35,265,000
Comparison:	
1999 appropriation	+265,000
2000 budget estimate	

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

COMMITTEE PROVISIONS

For Resource Conservation and Development, the Committee provides an appropriation of \$35,265,000, an increase of \$265,000 above the amount available for fiscal year 1999 and the same as the budget request. The Committee expects the USDA to fund new RC&D areas.

FORESTRY INCENTIVES PROGRAM

1999 appropriation	¹ \$6,325,000
2000 budget estimate	
Provided in the bill	
Comparison:	
1999 appropriation	-6,325,000
2000 budget estimate	

¹ Does not reflect \$10 million in emergency funding provided by Public Law 105-277.

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

COMMITTEE PROVISIONS

The Committee concurs with the President's budget and does not provide funding for the Forestry Incentives Program. This program promotes timber production on private lands, and in support of the budget these efforts will be continued through the State and Private Forestry program in the Forest Service.

FARMLAND PROTECTION PROGRAM

1999 appropriation	
2000 budget estimate	¹ \$50,000,000
Provided in the bill	
Comparison:	
1999 appropriation	
2000 budget estimate	-50,000,000

¹The budget proposes funds to be derived from the Land and Water Conservation Fund.

The Farmland Protection Program is authorized by section 388 of the Federal Agriculture Improvement and Reform Act (7 U.S.C. 7201). Its purpose is to protect farmland from urban development and other nonagricultural land conversions; preserve farmland for future generations; maintain, restore, and enhance ecosystems; protect historical landscapes, scenic beauty, and open space; and sustain rural economic stability and development.

COMMITTEE PROVISIONS

The Committee has not included a proposal to transfer \$50,000,000 from the Land and Water Conservation Fund for the Farmland Protection Program.

TITLE III—RURAL DEVELOPMENT PROGRAMS

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

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

OFFICE OF THE UNDER SECRETARY FOR RURAL DEVELOPMENT

1999 appropriation	\$588,000
2000 budget estimate	612,000
Provided in the bill	588,000
Comparison:	
1999 appropriation .....	.....
2000 budget estimate	- 24,000

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 Rural Utilities Service.

COMMITTEE PROVISIONS

For the Office of the Under Secretary for Rural Development, the Committee provides an appropriation of \$588,000, the same as the amount available for fiscal year 1999 and a decrease of \$24,000 below the budget request.

The Committee is aware of extensive damage to the properties of borrowers participating in various rural development programs in Oklahoma and Kansas due to recent severe tornadoes. The Committee urges the Department to assist these borrowers wherever possible to recover from their losses.

The Committee notes that the Department's detailed budget request documents backlogs of applications in a number of rural development programs. Many deserving and eligible applicants for rural development resources cannot be served because of budget shortfalls. The Committee directs the Department to use its re-

sources only on programs that directly benefit applicants for rural development assistance.

The Committee notes that an Office of Rural Development was created in the Department of Housing and Urban Development (HUD) in fiscal year 1999. The Committee directs USDA to work with the new HUD office to avoid duplication of efforts and to refer qualified applicants for rural development assistance to HUD when appropriate.

The Committee expects the Department to give consideration to the following projects or organizations requesting assistance under the Rural Community Advancement Program and other rural development programs: assistance to a water and sewer project in Capitan, NM; a grant for the Agri-Edge Development Program in Syracuse, NY; capacity building for the State of New York; assistance to the Agribusiness Center in Bulloch County, GA; support for water and sewer systems in the communities of Reno Beach/Bono, Wauseon and Curtice, OH; a Rural Business Enterprise Grant for the Rural Opportunities Enterprise Center, Inc. to support projects in the Mid-Hudson Valley (New York) region; support for a Consolidated Rural Service Delivery System Demonstration Project in the State of New York; a grant to Florida A&M University to establish a rural development program at the University of Florida/IFAS North Florida Research and Education Center to serve as a focus for rural economic community development; continued support for the Renewable Resources Research Institute, which represents agriculture producers and cooperatives in South Dakota, North Dakota, Minnesota and Colorado to increase farmers' income through development and commercialization of value-added products; a grant to upgrade water lines as a result of increased poultry and livestock operations in the County of Lawrence (Alabama); assistance to Ninth District Development Financing, Inc. to promote tourism in southwest Virginia; funding for a new community health center in Haysi, VA; funds for purchase and repair of a building in Craig County, VA, for use as an industrial shell building; a rural business enterprise grant to create a regional industrial park for Bland, Giles, Craig, Montgomery, Pulaski, Roanoke and Wythe counties and the cities of Radford, Roanoke and Salem in Virginia; rural business enterprise grants for small business incubators in southwest Virginia; renovation of a commercial building in Bristol, VA, for use as a small business incubator; a Small Business Innovation Research Grant for renovation of an industrial shell building in Glen Lyn, VA; a project to provide water, including safe drinking water, to the Shinnecock Indian Tribe of Suffolk County, Long Island, NY; support for expansion of the Peconic Bay Aquaculture project in Suffolk County, NY; a rural business enterprise grant for the Allegheny Highlands (Virginia) Economic Development Authority for a high technology industrial park; support for the development of value-added processing and marketing capabilities for the Oregon Albacore tuna industry; the Vandalia Heritage Foundation, for rural, economic, and business development activities through a revolving loan fund; the City of Thomas, West Virginia, for the acquisition and renovation of facilities to support the Virtual County Store/Mountain Made project; funding for technical assistance provided by the National Drinking Water Clearinghouse at West Vir-

ginia University; funding for the North Carolina Institute of Health and Safety in Agriculture (“Agromedicine Institute”) for delivery of health services to farmers and farming communities; funding for development of agri-tourism projects in Vermont; a grant to Rural Enterprises, Inc. of Durant, OK, for an innovative tax exempt bond program for assistance to rural communities; a rural business enterprise grant for the Self-Help Credit Union (North Carolina) for assistance to low-income entrepreneurs; and funding for the Land Stewardship Alliance (Maryland) for a public outreach and education campaign to support and revitalize local agricultural communities; and grant assistance to Morgan County, TN for water line extensions and funds for a water reservoir feasibility study.

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

RURAL COMMUNITY ADVANCEMENT PROGRAM

1999 Appropriations	\$722,686,000
2000 Budget estimate	670,103,000
Provided in the bill	666,103,000
Comparison:	
1999 appropriation	- 56,583,000
2000 budget estimate	- 4,000,000

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 will provide greater flexibility to tailor financial assistance to applicant needs.

With the exception of the 10 percent in the “National office reserve” account and the 3 percent of the funding in the “Federally recognized Indian tribe” account, funding will be 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 and 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), would be used in conjunction with the existing direct and guaranteed loan programs for the development of community facilities, such as hospitals, fire stations, and community centers. Grants will be targeted to the lowest income communities. Communities that have lower population and income levels would receive a higher cost-share contribution through these grants, to a maximum contribution of 75 percent of the cost of developing the facility.

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 310B(b) of the Consolidated Farm and Rural Development Act, as amended. Grants are made to public bodies and private nonprofit organizations to provide technical assistance to local and regional governments for the purpose of reducing or eliminating pollution of water resources and for improving the planning and management of solid waste disposal facilities.

COMMITTEE PROVISIONS

The following table provides the Committee's recommendations as compared to the budget request:

RURAL COMMUNITY ADVANCEMENT PROGRAM

[Budget authority in thousands of dollars]

	FY 1999 level	FY 2000 estimate	Committee provisions
Housing:			
Community facility loans:			
Guaranteed	0	0	0
Direct	\$22,917	\$15,150	\$15,150
Community facility grants	6,869	13,237	19,237
Subtotal, housing	29,786	28,387	34,387
Business:			
Business and industry loans:			
Guaranteed	9,673	31,100	15,000
Direct	0	0	0
Rural business enterprise grants	38,220	35,970	34,000
Rural business opportunity grants	0	5,000	3,500
Subtotal, business	47,893	72,070	52,500
Utilities:			
Water and waste disposal loans:			
Guaranteed	0	0	0
Direct	129,430	63,900	63,900
Water and waste disposal grants	512,761	503,000	512,570
Solid waste management grants	2,816	2,746	2,746
Subtotal, utilities	645,007	569,646	579,216

RURAL COMMUNITY ADVANCEMENT PROGRAM—Continued
 [Budget authority in thousands of dollars]

	FY 1999 level	FY 2000 estimate	Committee provisions
Total, loans and grants	\$722,686	\$670,103	\$666,103

The Committee has provided bill language to allow state rural development directors to transfer up to 25 percent between funding streams as long as the transfers do not result in more than 10 percent transferred nationally.

The Committee provides \$3,500,000 for the Rural Business Opportunity Grant (RBOG) program. The Committee directs the Department to use its transfer authority under the RCAP to add additional funds for the RBOG program as needed. The Committee directs the Department to use RBOG funds for regional economic plan activities on behalf of local governments and their designees. Of the funds provided for the RBOG program, the Committee directs the Department to use \$1,000,000 for communities designated by the Secretary of Agriculture as Rural Economic Area Partnerships.

The Committee supports the Department's efforts to provide adequate technical service for centrally owned and managed cluster well systems. Therefore, the Committee supports the WellCare program, and recognizes needs that can be filled through the water and waste disposal loan and grant program.

Of the funds provided under the RCAP for rural community programs, the Committee has set aside \$6,000,000 for grants for a Rural Community Development Initiative. These funds are intended to increase capacity-building among non-profit and not-for-profit community development organizations. The Committee intends that, in awarding grants, the Department gives highest priority to those organizations that can directly provide assistance to rural America, particularly to the rural poor and to individuals and communities that do not currently benefit from USDA and other federal programs.

The Committee further intends that funds should be made available to qualified national and multi-state intermediary organizations and that the Department require these organizations to provide matching funds.

RURAL HOUSING SERVICE

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) 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 economi-

cally declining rural areas; (3) lower the cost of programs while retaining the benefits by redesigning more effective programs that work in partnership with state and local governments and the private sector; and (4) leverage the economic benefits through the use of low-cost credit programs, especially guaranteed loans.

RURAL HOUSING INSURANCE FUND PROGRAM ACCOUNT

ESTIMATED LOAN LEVEL

1999 loan level	(\$4,251,717,000)
2000 budget estimate	(4,575,052,000)
Provided in the bill	(4,832,687,000)
Comparison:	
1999 loan level	(+580,970,000)
2000 budget estimate	(+257,635,000)

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, are repayable in not to exceed 30 years. Farm labor housing insured loans are made either to a farm owner or to a public or private nonprofit organization to provide modest living quarters and related facilities for domestic farm labor. Loan programs are limited to rural areas which include towns, villages, and other places of not more than 10,000 population, which are not part of an urban area. Loans may also be made in areas with a population in excess of 10,000, but less than 20,000, if the area is not included in a standard metropolitan statistical area and has a serious lack of mortgage credit for low- and moderate-income borrowers.

COMMITTEE PROVISIONS

[In thousands of dollars]

	FY 1999 level	FY 2000 estimate	Committee provisions
Rural Housing Insurance Fund Program Account:			
Low-income family housing (sec. 502):			
Direct	(\$965,313)	(\$1,100,000)	(\$1,337,632)
Unsubsidized guaranteed	(3,000,000)	(3,200,000)	(3,200,000)
Rental housing (sec. 515)	(114,321)	(100,000)	(120,000)
Multi-family guaranteed (sec. 538)	(100,000)	(100,000)	(100,000)
Housing repair (sec. 504)	(25,001)	(32,396)	(32,400)
Farm labor (sec. 514)	(20,000)	(25,001)	(25,000)
Credit sales of acquired property	(16,930)	(7,503)	(7,503)
Site loans (sec. 524)	(5,152)	(5,152)	(5,152)
Self-help housing land development fund	(5,000)	(5,000)	(5,000)
Total, loan authorization	(\$4,251,717)	(\$4,575,052)	(\$4,832,687)

¹USDA changed the subsidiary rule from 2.32% to 3.1% when interim regulations were published. The new rule will provide \$74,839,000 in loans.

ESTIMATED LOAN SUBSIDY AND ADMINISTRATIVE EXPENSES LEVELS

	<i>Direct loan subsidy</i>	<i>Guaranteed loan subsidy</i>	<i>Administrative expenses</i>
1999 appropriation	\$192,265,000	\$5,020,000	\$360,785,000
2000 budget estimate ...	155,877,000	20,000,000	383,879,000
Provided in the bill	184,083,000	20,000,000	377,879,000
Comparison:			
1999 appropriation	- 8,182,000	+14,980,000	+17,094,000
2000 budget estimate	+29,000,000	.....	- 6,000,000

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 2000, as well as for administrative expenses.

COMMITTEE PROVISIONS

The Committee strongly urges the Rural Housing Service to continue participation in the leveraged loan program of New York and other states where alternative procedures are needed to meet the needs of affordable housing in rural areas.

The following table reflects the costs of the loan programs under credit reform. In many cases, changes from the fiscal year 1999 amounts reflect changes in the loan subsidy rates as set by the Office of Management and Budget.

[In thousands of dollars]

	FY 1999 level	FY 2000 estimate	Committee provisions
Loan subsidies:			
Single family (sec. 502):			
Direct	\$114,100	\$93,830	\$114,100
Unsubsidized guaranteed	2,700	19,520	19,520
Housing repair (sec. 504)	8,808	9,900	9,900
Farm labor (sec. 514)	10,406	11,308	11,308
Rental housing (sec. 515)	55,160	39,680	47,616
Multi-family guaranteed (sec. 538)	2,320	480	480
Credit sales of acquired property	3,492	874	874
Housing site dev. (sec. 524)	17	4	4
Self-help housing land development fund	282	281	281
Total, Loan subsidies	\$197,285	\$175,877	\$204,083
RHIF expenses:			
Administrative expenses	\$360,785	\$383,879	\$377,879

RENTAL ASSISTANCE PROGRAM

1999 appropriation	\$583,397,000
2000 budget estimate	440,000,000
Provided in the bill	583,400,000
Comparison:	
1999 appropriation	+3,000
2000 budget estimate	+143,400,000

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

The objective of the program is to reduce rents paid by low-income families living in Rural Housing Service financed rental projects and farm labor housing projects. Under this program, low-income tenants will contribute the higher of: (1) 30 percent of

monthly adjusted income; (2) 10 percent of monthly income; or (3) designated housing payments from a welfare agency.

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

The program is administered in tandem with Rural Housing Service Section 515 rural rental and cooperative housing programs and the farm labor loan and grant programs. Priority is given to existing projects for units occupied by low-income families to 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 PROVISIONS

For the Rental Assistance Program, the Committee provides a program level of \$583,400,000, an increase of \$3,000 above the amount available in fiscal year 1999 and an increase of \$143,400,000 above the budget request for fiscal year 2000.

The Committee notes that the Administration requested a significant cut in rental assistance for fiscal year 2000 with an additional \$200,000,000 requested as advance appropriations for fiscal year 2001. According to Administration officials, this was done largely as an accounting device to divert fiscal year 2000 money from rural development to other programs. The Committee believes it is important to maintain the integrity of the rental assistance program and other rural development programs and directs the Administration to submit budget requests that reflect the reality of one-year appropriations bills.

MUTUAL AND SELF-HELP HOUSING GRANTS

1999 appropriation	\$26,000,000
2000 budget estimate	30,000,000
Provided in the bill	28,000,000
Comparison:	
1999 appropriation	+2,000,000
2000 budget estimate	-2,000,000

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

COMMITTEE PROVISIONS

For Mutual and Self-Help Housing Grants, the Committee provides an appropriation of \$28,000,000, an increase of \$2,000,000 above the amount available in fiscal year 1999 and a decrease of \$2,000,000 below the budget request.

RURAL HOUSING ASSISTANCE GRANTS

1999 appropriation	\$41,000,000
2000 budget estimate	54,000,000
Provided in the bill	50,000,000
Comparison:	
1999 appropriation	+9,000,000
2000 budget estimate	-4,000,000

The following programs are consolidated under the Rural Housing Assistance Grants: grants for rural housing for domestic farm labor, very low-income housing repair grants, rural housing preservation grants, compensation for construction defects, and supervisory and technical assistance grants.

Rural Housing for Domestic Farm Labor grants are provided 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.

The Very Low-Income Housing Repair Grants program is authorized under Section 504 of Title V of the Housing Act of 1949, as amended. The program makes 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. A grant can be made in combination with a Section 504 very low-income housing repair loan.

Rural Housing Preservation Grants are used for home repair for 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 is administered by local grantees.

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.

The supervisory and technical assistance grant program is carried out under the provisions of section 509(f) and 525 of the Housing Act of 1949, as amended. Under section 509, grants are made to public and private nonprofit organizations for packaging loan applications for housing under sections 502, 504, 514/516, 515, and 533 of the Housing Act of 1949, as amended. The assistance is to be directed to underserved areas where at least 20 percent or more of the population is at or below the poverty level, and at least 10 percent or more of the population resides in substandard housing.

Under section 525, grants are made to public and private nonprofit organizations and other associations for the developing, conducting, administering or coordinating of technical and supervisory assistance programs to demonstrate the benefits of Federal, State, and local housing programs for low-income families in rural areas.

COMMITTEE PROVISIONS

For the Rural Housing Assistance Grants program, the Committee provides an appropriation of \$50,000,000, an increase of \$9,000,000 above the amount provided for fiscal year 1999 and a decrease of \$4,000,000 below the budget request.

The Committee recommends consideration of a pilot project in Salinas, CA, under the Rural Housing Assistance Grants Program, to provide home ownership for farm workers and workers involved in the processing of farm products.

SALARIES AND EXPENSES

	<i>Administrative ex- penses</i>	<i>Transfers</i>	<i>Total expenses</i>
1999 level	\$60,978,000	(\$360,785,000)	(\$421,763,000)
2000 budget estimate	61,979,000	(383,879,000)	(445,858,000)
Provided in the bill	61,979,000	(377,879,000)	(439,858,000)
Comparison:			
1999 level	+1,001,000	(+17,094,000)	(+18,095,000)
2000 budget estimate ..	.....	(-6,000,000)	(-6,000,000)

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

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

COMMITTEE PROVISIONS

For Salaries and Expenses of the Rural Housing Service, the Committee provides an appropriation of \$61,979,000, an increase of \$1,001,000 above the amount available for fiscal year 1999 and the same as the budget request.

The Committee directs the Department to ensure that personnel levels in the Rural Housing Service are sufficient to address customer needs and to make this first priority in the budgeting of the funds provided.

RURAL BUSINESS-COOPERATIVE SERVICE

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.

RURAL DEVELOPMENT LOAN FUND PROGRAM ACCOUNT

ESTIMATED LOAN LEVEL

1999 loan level	(\$33,000,000)
2000 budget estimate	(52,495,000)
Provided in the bill	(52,495,000)
Comparison:	
1999 loan level	(+19,495,000)
2000 budget estimate	(.....)

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 (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 2000, as well as for administrative expenses.

COMMITTEE PROVISIONS

For the Rural Development Loan Fund Program Account, the Committee provides for a loan level of \$52,495,000, an increase of \$19,495,000 above the amount provided in fiscal year 1999 and the same as the budget request.

ESTIMATED LOAN SUBSIDY AND ADMINISTRATIVE EXPENSES LEVELS

	<i>Direct loan subsidy</i>	<i>Administrative expenses</i>
1999 appropriation	\$16,615,000	\$3,482,000
2000 budget estimate	22,799,000	3,337,000
Provided in the bill	22,799,000	3,337,000
Comparison:		
1999 appropriation	+6,184,000	- 145,000
2000 budget estimates .....	.....	.....

RURAL ECONOMIC DEVELOPMENT LOANS PROGRAM ACCOUNT

ESTIMATED LOAN LEVEL

1999 loan level	(\$15,000,000)
2000 budget estimate	(15,000,000)
Provided in the bill	(15,000,000)

Comparison:	
1999 loan level	(.....)
2000 budget estimate	(.....)

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

COMMITTEE PROVISIONS

For the Rural Economic Development Loans Program Account, the Committee provides for a loan level of \$15,000,000, the same as provided for fiscal year 1999 and the same as the budget request.

The Committee has provided language, requested by the Administration, to use earnings generated by the interest differential on voluntary cushion of credit payments made by Rural Utilities Service borrowers to provide necessary loan subsidies for rural economic development loans. By using these earnings for subsidy budget authority, additional loans funds will be available to rural communities. The discretionary cost of these loans is offset by reductions to rural economic development grants made from the cushion of credit.

ESTIMATED LOAN SUBSIDY

	<i>Direct loan subsidy</i>
1999 appropriation	¹ \$3,783,000
2000 budget estimate	¹ 3,453,000
Provided in the bill	¹ 3,453,000
Comparison:	
1999 appropriation	- 330,000
2000 budget estimate .....	.....

¹ Offset by a rescission from interest on the cushion of credit payments as authorized by section 313 of the Rural Electrification Act of 1936.

RURAL COOPERATIVE DEVELOPMENT GRANTS

1999 appropriation	\$3,300,000
2000 budget estimate	9,000,000
Provided in the bill	6,000,000
Comparison:	
1999 appropriation	+2,700,000
2000 budget estimate	-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.

Cooperative agreements are authorized under 7 U.S.C. 2201 to any qualified State department of agriculture, university, and other State entity to conduct research that will strengthen and enhance the operations of agricultural marketing cooperatives in rural areas.

Cooperative Research Agreements are authorized by 7 U.S.C. 2204. The funds are used for Cooperative Research Agreements, primarily with colleges and universities to address critical operational, organizational and structural issues facing cooperatives.

COMMITTEE PROVISIONS

For Rural Cooperative Development Grants, the Committee provides an appropriation of \$6,000,000, an increase of \$2,700,000 above the amount available in fiscal year 1999 and a decrease of \$3,000,000 below the budget request. The total includes \$1,500,000 for cooperative research grants.

Of the funds provided, not to exceed \$1,500,000 is provided for a cooperative agreement for the Appropriate Technology Transfer for Rural Areas (ATTRA) program.

SALARIES AND EXPENSES

	<i>Appropriation</i>	<i>Transfer from loan accounts</i>	<i>Total, RBS, S&E</i>
1999 appropriation	\$25,680,000	(\$3,482,000)	(\$29,162,000)
2000 budget estimate	24,612,000	(3,337,000)	(27,949,000)
Provided in the bill	24,612,000	(3,337,000)	(27,949,000)
Comparison:			
1999 appropriation	- 1,068,000	- 145,000	- 1,213,000
2000 budget estimate ..			

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

COMMITTEE PROVISIONS

For Salaries and Expenses of the Rural Business-Cooperative Development Service, the Committee provides an appropriation of \$24,612,000, a decrease of \$1,068,000 below the amount provided in fiscal year 1999 and the same as 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

1999 loan level	(\$1,561,500,000)
2000 budget estimate	(1,070,000,000)
Provided in the bill	(2,411,500,000)
Comparison:	
1999 loan level	+850,000,000
2000 budget estimate	+1,341,500,000

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

COMMITTEE PROVISIONS

The Committee encourages the Administrator to fully utilize the discretionary authority provided in the Rural Electrification Act, as amended, when such use will facilitate mergers among Rural Utility Service borrowers and doing so will help to ensure the availability of long term, reliable and reasonably priced electricity in rural areas.

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

	FY 1999 enacted	FY 2000 estimate	Committee provisions
Rural electrification and telecommunications loans program account.			
Loan authorizations:			
Direct loans:			
Electric 5%	(\$71,500,000)	(\$50,000,000)	(\$121,500,000)
Telecommunications 5%	(75,000,000)	(50,000,000)	(75,000,000)
Treasury rate: Telecommunications	(300,000,000)	(300,000,000)	(300,000,000)
Muni-rate: Electric	(295,000,000)	(250,000,000)	(295,000,000)
Subtotal	(741,500,000)	(650,000,000)	(791,500,000)
FFB loans:			
Electric, regular	(700,000,000)	(300,000,000)	(1,500,000,000)
Telecommunications	(120,000,000)	(120,000,000)	(120,000,000)
Subtotal	(820,000,000)	(420,000,000)	(1,620,000,000)
Total, Loan authorizations	(\$1,561,500,000)	(\$1,070,000,000)	(\$2,411,500,000)

ESTIMATED LOAN SUBSIDY AND ADMINISTRATIVE EXPENSES LEVEL

	FY 1999 enacted	FY 2000 estimate	Committee provisions
Loan subsidies:			
Direct loans:			
Electric 5%	\$9,324,000	\$450,000	\$1,095,000
Telecommunications 5%	7,343,000	560,000	840,000
Treasury rate: Telecommunications	810,000	2,370,000	2,370,000
Muni-rate: Electric	25,842,000	9,175,000	10,827,000
FFB loans: Regular Electric	0	0	0
Total, Loan subsidies	43,319,000	12,555,000	15,132,000
RETLP administrative expenses	29,982,000	31,046,000	31,046,000
Total, Rural electrification and telecommunications loans program account	73,301,000	43,601,000	46,178,000
(Loan authorization)	(1,561,500,000)	(1,070,000,000)	2,411,500,000

The Federal Credit Reform Act of 1990 established the Program Account. An appropriation to this account will be used to cover the lifetime subsidy costs associated with the direct loans obligated and loan guarantees committed in 2000, as well as for administrative expenses.

RURAL TELEPHONE BANK PROGRAM ACCOUNT

ESTIMATED LOAN LEVEL

1999 loan level	(\$157,509,000)
2000 budget estimate	(175,000,000)
Provided in the bill	(175,000,000)
Comparison:	
1999 loan level	(+17,491,000)
2000 budget estimate	(.....)

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

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

COMMITTEE PROVISIONS

For the Rural Telephone Bank, the Committee provides for a loan level of \$175,000,000, an increase of \$17,491,000 above the level for fiscal year 1999 and the same as the budget request.

The Committee includes the same provision from the fiscal year 1999 bill which limits the retirement of the Class A stock of the Rural Telephone Bank.

The Committee does not concur with proposed bill language using unobligated balances of the Rural Telephone Bank Liquidating Account to pay for loan subsidies or administrative expenses of the Rural Telephone Bank.

ESTIMATED LOAN SUBSIDY AND ADMINISTRATIVE EXPENSES LEVELS

	<i>Direct loan subsidy</i>	<i>Administrative expenses</i>
1999 appropriation	\$4,174,000	\$3,000,000
2000 budget estimate	(1)	(2)
Provided in the bill	3,290,000	3,000,000
Comparison:		
1999 appropriation	- 884,000	
2000 budget estimate		

¹Up to \$3,290,000 is to be derived by transfer from unobligated balances in the Rural Telephone Bank Liquidating Account.

²Up to \$3,000,000 is to be derived from transfer from unobligated balances in the Rural Telephone Bank Liquidating Account.

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 2000, as well as for administrative expenses.

DISTANCE LEARNING AND TELEMEDICINE PROGRAM

	<i>Loan level</i>	<i>Subsidy level</i>	<i>Grants</i>
1999 appropriation	(\$150,000,000)	\$180,000	\$12,500,000
2000 budget estimate	(200,000,000)	700,000	20,000,000
Provided in the bill	(200,000,000)	700,000	16,000,000
Comparison:			
1999 appropriation	(+50,000,000)	+520,000	+3,500,000
2000 budget estimates			-4,000,000

The Distance Learning and Telemedicine Program was authorized by the Food Agriculture, Conservation and Trade Act of 1990, as amended by the Federal Agriculture Improvement and Reform Act of 1996. This program provides incentives to improve the quality of phone services, 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 PROVISIONS

For the Distance Learning and Telemedicine Program, the Committee provides an appropriation of \$16,700,000, an increase of \$4,020,000 above the amount available for fiscal year 1999 and a decrease of \$4,000,000 below the budget request.

The Committee expects the Department to give consideration to the following projects or organizations requesting assistance under the Distance Learning and Telemedicine Program: a grant to Florida State University and the Harbor Branch Oceanographic Institution to utilize distance learning technologies in the field of marine aquaculture; continued funding for Daemen College, in Amherst, NY for a telemedicine project in four western New York counties; continued funding for the Community Hospital Tele-Health Consortium demonstration project to improve health services for medically underserved areas in Louisiana; funding for the Telecommunications Center for Education, an initiative of the Uni-

versity Colleges of Technology of the State University of New York to provide training and educational opportunities to develop a skilled workforce in rural communities.

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

ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION
REVOLVING FUND

COOPERATIVE AGREEMENTS

1999 appropriation	\$3,500,000
2000 budget estimate	10,000,000
Provided in the bill .....	.....
Comparison:	
1999 appropriation	- 3,500,000
2000 budget estimate	- 10,000,000

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 will assist in researching, developing, commercializing, and marketing new nonfood, nonfeed uses for traditional and new agricultural commodities.

COMMITTEE PROVISIONS

The Committee does not provide funding for the Alternative Agricultural Research and Commercialization Revolving Fund for fiscal year 2000.

SALARIES AND EXPENSES

	<i>Appropriation</i>	<i>Transfer from loan accounts</i>	<i>Total, RUS, S&E</i>
1999 appropriation	\$33,000,000	(\$32,982,000)	(\$65,982,000)
2000 budget estimate	34,107,000	(34,046,000)	(68,153,000)
Provided in the bill	34,107,000	(34,046,000)	(68,153,000)
Comparison:			
1999 appropriation	+1,107,000	+1,064,000	+2,171,000
2000 budget estimate ..	.....	.....	.....

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 Rural Electrification and Telecommunications Loans Fund and the Rural Telephone Bank fund. Appropriations to the salaries and expenses account will be for costs associated with grant programs.

COMMITTEE PROVISIONS

For Salaries and Expenses of the Rural Utilities Service, the Committee provides an appropriation of \$34,107,000, an increase of

\$1,107,000 above the amount available for fiscal year 1999 and the same as the budget request.

TITLE IV—DOMESTIC FOOD PROGRAMS

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

1999 appropriation	\$554,000
2000 budget estimate	576,000
Provided in the bill	554,000
Comparison:	
1999 appropriation	
2000 budget estimate	- 22,000

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, nutrition and consumer activities. The Office has oversight and management responsibilities for the Food and Nutrition Service.

COMMITTEE PROVISIONS

For the Office of the Under Secretary for Food, Nutrition and Consumer Services the Committee provides \$554,000, the same amount as provided in fiscal year 1999 and a decrease of \$22,000 below the budget request.

FOOD AND NUTRITION SERVICE

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

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

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

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

The program 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. The program also includes \$100,000,000 for commodity purchases under the Emergency Food Assistance Program.

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

The Farmers Market Nutrition Program provides (WIC or 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.

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

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

TEFAP provides grant funds to state agencies to assist in the cost of storage and distribution of donated commodities for needy individuals.

Food Donations Programs.—Nutritious agricultural commodities are provided to residents of the Federated States of Micronesia and the Marshall Islands. Cash assistance is provided to distributing agencies to assist them in meeting administrative expenses incurred. Funding is provided for use in non-Presidentially declared disasters and for FNS administrative costs in connection with disaster relief for all disasters. Commodities or cash-in-lieu of commodities are provided to assist nutrition programs for the elderly.

Food Program Administration.—This account represents most salaries and Federal operating expenses of the Food and Nutrition Service and the Center for Nutrition Policy and Promotion (CNPP).

As of September 30, 1998, there were 1,557 full-time permanent and 107 part-time and temporary employees in the agency. There were 539 in the Washington headquarters and 1,025 in the field, which includes 820 in seven regional offices and the balance in six food stamp compliance offices; one computer support center in Minneapolis, Minnesota; one administrative review office; and 70 field offices. The Center oversees improvements in and revisions to the nutrition guidance systems. CNPP is the focal point for advancing and coordinating nutrition promotion and education policy to improve the health of all Americans.

Funds for Strengthening Markets, Income, and Supply (Section 32).—This program includes the donation of commodities purchased under the surplus removal activities of the Agricultural Marketing Service. Special programs provide food to needy children and adults who are suffering from general and continued hunger.

CHILD NUTRITION PROGRAMS

	<i>Direct appropriation</i>	<i>Transfer from section 32</i>	<i>Total program level</i>
1999 appropriation	\$4,128,747,000	(\$5,048,150,000)	(\$9,176,897,000)
2000 budget estimate ...	4,635,768,000	(4,929,268,000)	(9,565,036,000)
Provided in the bill	4,611,829,000	(4,935,199,000)	(9,547,028,000)
Comparison:			
1999 appropriation	+483,082,000	(− 112,951,000)	(+370,131,000)
2000 budget estimate	− 23,939,000	(+5,931,000)	(− 18,008,000)

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

The William F. Goodling Child Nutrition Reauthorization Act of 1998, Public Law 105–336, contains a number of child nutrition provisions. These include:

Summer Food Service Program (SFSP).—Reauthorizes the program through 2003 and relaxes the site limitations for private nonprofit sponsors in SFSP.

School Breakfast Program (SBP).—(1) Authorizes a pilot project to study the effects of providing free breakfasts to all students without regard to family income; and (2) requires participating schools to obtain a food safety inspection conducted by a State or local agency.

Child and Adult Care Food Program (CACFP).—Authorizes payments for snacks provided to children through age 18 in after-school programs. Permanently authorizes and provides funds for demonstration projects to expand services to homeless children and family day care homes in low-income areas. Beginning on July 1, 1999, the Homeless Child Nutrition Program and the Homeless Summer Food Service Program transfer into CACFP.

National School Lunch Program (NSLP).—(1) Significantly expands reimbursement for snacks for children up to age 18 in after-school care programs; (2) provides for free snacks in needy areas; and (3) requires participating schools to obtain a food safety inspection conducted by a State or local agency.

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

COMMITTEE PROVISIONS

For the Child Nutrition Programs, the Committee provides a total of \$9,547,028,000, an increase of \$370,131,000 above the amount available for fiscal year 1999 and a decrease of \$18,008,000 below the budget request. Of the total amount provided, \$4,611,829,000 is by direct appropriation and \$4,935,199,000 is by transfer from Section 32.

Child Nutrition Programs:	
School lunch program	\$5,480,010,000
School breakfast program	1,421,789,000
Child and adult care food program	1,769,766,000
Summer food service program	314,946,000
Special milk program	17,551,000
State administrative expenses	120,104,000
Commodity procurement and computer support	406,499,000
School meals initiative	10,000,000
Food safety education	2,000,000
Coordinated review effort	4,363,000
Total	\$9,547,028,000

The Committee provides \$10,000,000 for the School Meals Initiative. Included in this amount is \$4,000,000 for food service training grants to states; \$1,600,000 for technical assistance materials; \$800,000 for the National Food Service Management Institute cooperative agreement for food service; \$400,000 for print and electronic food service resource systems; and \$3,200,000 for other activities.

The Committee does not recommend funding for the school breakfast pilot project. Even though the Child Nutrition Reauthor-

ization Act of 1998 was enacted over seven months ago, the USDA testified that there is no plan in place for selecting the six pilot sites. The Committee is concerned that the pilot project, as authorized, would spend nearly 77 percent of the funds (\$10,000,000 out of \$13,000,000) on evaluations.

The Committee has consolidated all funding for studies and evaluations under the Economic Research Service.

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

1999 appropriation	\$3,924,000,000
2000 budget estimate	4,105,495,000
Provided in the bill	4,005,000,000
Comparison:	
1999 appropriation	+81,000,000
2000 budget estimate	-100,495,000

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

The William F. Goodling Child Nutrition Reauthorization Act of 1998, Public Law 105-336, reauthorizes the program through 2003 and added several provisions to the program. The act requires that an individual seeking certification or recertification in the program must provide documentation of family income.

Infant Formula Rebate Contracts.—The act permits State agencies to award infant formula rebate contracts to the bidder offering the lowest net wholesale price, unless the State agency demonstrates to the satisfaction of the Secretary that the weighted average retail price for different brands of formula in that State does not vary by more than 5 percent.

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

COMMITTEE PROVISIONS

For the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) the Committee provides an appropriation of \$4,005,000,000, an increase of \$81,000,000 above the amount available in fiscal year 1999 and a decrease of \$100,495,000 below the budget request.

The President's fiscal year 1999 budget request estimated the amount of carryover funds from fiscal year 1998 to be \$100 million. The President's fiscal year 2000 request increased the amount of carryover funds to \$155 million. The latest estimate by the Department indicates that the final amount of carryover funds into fiscal year 1999 will be \$175 million.

The President's fiscal year 2000 request includes projected carryover funds of \$100 million from fiscal year 1999. However, the latest estimate indicates that carryover funds will be at least \$125

million. The Committee believes that the funding level recommended in this account provides adequate resources to maintain a monthly participation level of at least 7.4 million pregnant, breastfeeding, and postpartum women, and infants and children up to age five. The Committee notes that the participation level through the first five months of fiscal year 1999 has averaged 7.33 million per month.

The Committee maintains language regarding the Farmers Market Nutrition Program that makes the first \$10 million available for that program within 45 days of the enactment of this Act with the balance becoming available upon the determination that funds are not needed to maintain caseload.

The Committee is concerned that when our Nation's military personnel are transferred to overseas posts they are no longer eligible for WIC benefits. The Committee encourages the Secretary of Agriculture to work with the Secretary of Defense to provide a solution to this problem.

The WIC program generates revenue through the use of infant formula rebates. However, the Committee is concerned that since rebates began, infant formula costs appear to have risen far greater than inflation, and the number of suppliers has declined dramatically.

The Committee notes that by law \$10 million of WIC carryover funds from one fiscal year into the next fiscal year must be used to improve WIC financial management systems. The Committee encourages the USDA to work with the New York WIC Statewide Information Systems as they undergo a comprehensive reengineering of their WIC program.

The Committee has consolidated all funding for studies and evaluations under the Economic Research Service.

FOOD STAMP PROGRAM

1999 appropriation ¹	\$22,585,106,000
2000 budget estimate	27,284,444,000
Provided in the bill	21,577,444,000
Comparison:	
1999 appropriation	- 1,007,662,000
2000 budget estimate	- 5,707,000,000

¹ Reflects additional funding of \$500,000 apportioned pursuant to P.L. 105-379 for a study for a national database for Federal means-tested public assistance programs.

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

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

Authorized grocery stores accept the stamps as payment for food purchases and forward them to commercial banks for cash or credit. The stamps flow through the banking system to a Federal Reserve Bank for redemption out of a special account maintained by the U.S. Treasury Department. A major alternative to the paper food stamp system is Electronic Benefit Transfer (EBT). By the end of fiscal year 1998, twenty-seven systems (Alabama, Alaska, Arizona, Arkansas, Colorado, Connecticut, Florida, Hawaii, Kansas, Idaho, Illinois, Louisiana, Maryland, Massachusetts, Minnesota, Missouri, New Mexico, North Dakota, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Texas, Utah, Vermont) and the District of Columbia are statewide and eight systems (California, Georgia, Iowa, New Hampshire, New Jersey, North Carolina, Ohio and Wyoming) are in some stage of planning or implementing their EBT systems.

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.

ADMINISTRATIVE COSTS

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

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

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

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

COMMITTEE PROVISIONS

For the Food Stamp Program, the Committee provides \$21,577,444,000, a decrease of \$1,007,662,000 below the amount available in fiscal year 1999 and a decrease of \$5,707,000,000 below the budget request. The total amount includes \$100,000,000 for a contingency reserve in fiscal year 2000; \$1,268,000,000 for nutrition assistance for Puerto Rico; and \$100,000,000 for the emergency food assistance program.

The Committee recommends no advance appropriation for fiscal year 2001, a decrease of \$4,800,000,000 below the budget request. The Committee does not concur with the budget request for a

\$1,000,000,000 reserve for the food stamp program, but provides \$100,000,000 the same amount as fiscal year 1999.

The Committee has consolidated all funding for studies and evaluations under the Economic Research Service.

The Committee is encouraged by the implementation of EBT systems around the country and supports the goal that all states must be operating an EBT system by 2002. The Committee directs the Secretary to report to the Committee, no later than 120 days after enactment of this Act, on efforts by the Food and Nutrition Service to ensure that all states will be operating an EBT system by 2002.

The Committee believes the agency should focus more on preventive strategies to combat retailer trafficking of food stamps. Two years ago, the Committee urged the Food and Nutrition Service, FNS, to require preauthorization visits for all high risk stores. The Committee is disappointed that more preauthorization visits have not been required and directs the agency to work with its field offices to ensure that all new high risk retailer applicants are visited before they are authorized to participate in the program.

The Committee also agrees with a previous Inspector General recommendation that the National office needs to provide more direction and oversight to regional and field offices and that half of all field offices should be reviewed each year. FNS established new oversight procedures as a result of an OIG 1992 retailer audit, but does not enforce them.

COMMODITY ASSISTANCE PROGRAMS

1999 appropriation	\$131,000,000
2000 budget estimate	¹ 155,215,000
Provided in the bill	141,000,000
Comparison:	
1999 appropriation	+10,000,000
2000 budget estimate	- 14,215,000

¹ Includes funding for TEFAP, Commodity Supplemental Food Program, and the WIC Farmers' Market Nutrition Program.

The Commodity and the Assistance Program was established in fiscal year 1996 by the Agriculture Appropriations Act (P.L. 104-37). The Commodity Assistance Program includes: the Commodity Supplemental Food Program (CSFP), and administrative expenses of The Emergency Food Assistance Program (TEFAP).

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

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

TEFAP provides grant funds to state agencies to assist in the cost of storage and distribution of donated commodities for needy individuals.

COMMITTEE PROVISIONS

The Committee provides an appropriation of \$141,000,000 for the commodity assistance program, an increase of \$10,000,000 above the amount available for fiscal year 1999 and a decrease of \$14,215,000 below the budget request.

The Committee notes that the fiscal year 1999 appropriation for the Commodity Supplemental Food Program was reduced by \$10,000,000 due to a 1998 carryover in the program. The Committee has included \$96,000,000 in order to maintain the caseload and state administrative expense level available in fiscal year 1999.

The Committee has included \$45,000,000 for administration of the emergency food assistance program. These funds may be used for administration purposes or for food costs at the discretion of the states.

The Committee does not concur with the budget request to fund the Farmers' Market Nutrition Program in this account.

FOOD DONATIONS PROGRAMS

1999 appropriation	\$141,081,000
2000 budget estimate	151,081,000
Provided in the bill	141,081,000
Comparison:	
1999 appropriation .....	.....
2000 budget estimate	- 10,000,000

Nutrition Program for the Elderly.—The nutrition program for the elderly (NPE) provides cash and commodities to States for distribution to local organizations that prepare meals served to elderly persons in congregate settings or delivered to their homes. The program promotes good health through nutrition assistance and by reducing the isolation experienced by the elderly. This program is a supplement to the Department of Health and Human Services' (DHHS) funding for programs for the elderly with cash commodities on a per meal basis for each meal served to an elderly person.

Pacific Island Assistance.—This program provides for a directly funded food distribution program for low-income individuals in the nuclear-affected islands. This program attempts to alleviate hunger and malnutrition in low-income households by providing nutritious agricultural commodities to eligible persons. It also provides funding for use in non-presidentially declared disasters and for FNS' administrative costs in connection with disaster relief.

COMMITTEE PROVISIONS

For the Food Donations Programs the Committee provides an appropriation of \$141,081,000, the same amount as the amount available for fiscal year 1999, and a decrease of \$10,000,000 below the budget request. Included in this amount is \$140,000,000 for the nutrition program for the elderly.

The budget request included an increase of \$10,000,000 for the nutrition program for the elderly. However, an increase in the USDA portion of this program will not allow more meals to be served. Funding for the operation of the program, also known as Meals on Wheels, is contained in the Labor-HHS appropriations

bill. USDA provides a cash reimbursement for each meal served. Increasing funding for the program will not increase participation in the program. It will only increase the per meal reimbursement rate by 4 cents. The elderly feeding program has not been authorized since 1995, but the Committee continues to fund this program.

FOOD PROGRAM ADMINISTRATION

1999 appropriation ¹	\$108,561,000
2000 budget estimate	119,841,000
Provided in the bill	108,561,000
Comparison:	
1999 appropriation .....	.....
2000 budget estimate	- 11,280,000

¹ Does not reflect a transfer from the Economic Research Service of \$2,000,000 (P.L. 105-277) for studies and evaluations.

The food program administration appropriation provides for most of the Federal operating expenses of the Food and Nutrition Service, which includes the child nutrition programs; special supplemental nutrition program for women, infants, and children (WIC); the commodity assistance program, including the commodity supplemental food program, and administrative expenses of the emergency food assistance program; the Food Donations Programs, including the nutrition program for the elderly, Pacific Island Assistance, the Food Stamp Program and the Center for Nutrition Policy and Promotion.

The major objective of food program administration is to efficiently and effectively carry out the nutrition 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 progress toward program objectives; and (4) carrying out regular staff support functions.

COMMITTEE PROVISIONS

For Food Program Administration, the Committee has provided \$108,561,000, the same as the amount available for fiscal year 1999, and a decrease of \$11,280,000 below the budget request.

The Committee has maintained all funding for studies and evaluations under the Economic Research Service's Food and Consumer Economics Division. The Committee does not reduce the funding available for studies and evaluations. Full discretion on how these funds are to be spent has been left to the Department. The Committee continues to believe that consolidating these funds under ERS is prudent and fiscally responsible. It is expected that FNS staff, as well as staff from other agencies, will provide input and continue to work with ERS staff to assure that all program and policy needs of the Department are being met.

The Committee encourages the Food and Nutrition Service to acquire commodities from local farmer's markets and cooperatives for nutrition programs to the maximum extent possible.

TITLE V—FOREIGN ASSISTANCE AND RELATED PROGRAMS

FOREIGN AGRICULTURAL SERVICE AND GENERAL SALES MANAGER

	<i>Appropriation</i>	<i>Transfer from loan accounts</i>	<i>Total, FAS</i>
1999 appropriation	\$136,203,000	(\$4,266,000)	(\$140,469,000)
2000 budget estimate	137,768,000	(4,506,000)	(142,274,000)
Provided in the bill	137,768,000	(4,506,000)	(142,274,000)
Comparison:			
1999 appropriation	+1,565,000	(+240,000)	(+1,805,000)
2000 budget estimate .....	.....	(.....)	(.....)

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

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

COMMITTEE PROVISIONS

For the Foreign Agricultural Service, the Committee provides an appropriation of \$137,768,000 and transfers of \$4,746,000 for a total program level of \$142,274,000, an increase of \$1,805,000 above the amount available for fiscal year 1999 and the same as the budget request.

The Committee directs that any programs or operations administered by the Foreign Agricultural Service and funded through the Commodity Credit Corporation maintain that status in fiscal year 2000. No discretionary funds are provided to the Foreign Agricultural Service to convert CCC-funded programs to discretionary funding.

The Committee encourages the Foreign Agricultural Service to focus more of its training and technical assistance resources on cross border programs that share successful agricultural development efforts in the countries of the former Soviet Union.

The Committee commends the Foreign Agricultural Service (FAS) for its recent efforts to ensure fair representation for all rice producers and all types of rice in the Foreign Market Development (FMD) program. The Committee expects the Department to continue to provide fair and equal treatment to rice producers in every state in managing the FMD and other export-related programs.

The Committee expects that no appropriated funds will be used to pay for travel and other expenses of non-U.S. Government employees participating in the Reverse Trade Mission Program.

The Committee expects the Department to allocate all resources necessary to advance the interests of American farmers, ranchers and consumers in the next round of trade negotiations under the framework of the World Trade Organization. This includes reallocation of current spending, if necessary.

The Committee notes that the Department has proposed funding the Foreign Market Development/Cooperator Program from the CCC instead of from appropriated funds. The Committee directs the Department to notify the Committees on Appropriations before making this change.

PUBLIC LAW 480

PROGRAM AND GRANT ACCOUNTS

PUBLIC LAW 480 TITLE I PROGRAM ACCOUNT

The Federal Credit Reform Act of 1990 established the Program Account. Appropriations to this account are used to cover the lifetime subsidy cost associated with direct loans obligated in 2000 and beyond, as well as for administrative expenses.

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

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

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

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

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

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

COMMITTEE PROVISIONS

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

	FY 1999 enacted ¹	FY 2000 estimate	Committee provisions
Public Law 480 Program Account:			
Title I—Credit sales:			
Program level	(\$219,724,000)	(\$150,324,000)	(\$214,582,000)
Direct loans	(203,475,000)	(138,324,000)	(200,582,000)
Ocean freight differential	16,249,000	12,000,000	14,000,000
Loan subsidies	² 176,596,000	114,062,000	165,400,000
Title II—Commodities for disposition abroad:			
Program level	(837,000,000)	(787,000,000)	(837,000,000)
Appropriation	837,000,000	787,000,000	837,000,000
Title III—Commodity grants:			
Program level	(25,000,000)	(0)	.....
Appropriation	25,000,000	0	.....
Salaries and expenses:			
General Sales Manager	1,035,000	1,093,000	1,093,000
FSA	815,000	845,000	845,000
Subtotal	1,850,000	1,938,000	1,938,000
Total, Public Law 480:			
Program level	(1,081,724,000)	(937,324,000)	(1,051,582,000)
Appropriation	1,056,695,000	915,000,000	1,018,338,000

¹ Excludes credit level of \$760,205,541, subsidy of \$635,620,285, and administrative expenses of \$2,000,000, associated with food assistance to Russia funded through the transfer of funds from the Commodity Credit Corporation.

² Excludes rescission of \$30,000,000 proposed by H.R. 1141, which passed the House on March 24, 1999.

The Committee has provided bill language allowing transfer authority, not to exceed 15 percent, among titles I, II, and III of PL 480.

The Committee expects that monetized funds from food aid shipments to the Newly Independent States be used only for agricultural privatization and reform.

CCC EXPORT LOANS PROGRAM ACCOUNT

ADMINISTRATIVE EXPENSES

1999 appropriation	\$3,820,000
2000 budget estimate	4,085,000
Provided in the bill	4,085,000
Comparison:	
1999 appropriation	+265,000
2000 budget estimate .....	.....

Under the export credit programs, guarantees are provided by CCC for the repayment of commercial credit extended to finance U.S. agricultural export sales. The GSM-102 program covers export credit with repayment terms of up to three years. The GSM-103 program provides intermediate-term credit with repayment terms of three to ten years. The Agricultural Trade Act of 1978, as amended, requires that not less than \$5.5 billion be made available annually from 1996 through 2002 for GSM-102 and GSM-103. The FAIR Act provides \$200,000,000 for the Emerging Markets Export Credit Program.

The Federal Credit Reform Act of 1990 established the Program Account. Appropriations to this account will be used to cover the lifetime subsidy costs associated with the loan guarantees committed in 2000 and beyond, as well as for administrative expenses.

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

COMMITTEE PROVISIONS

For administrative expenses of the Commodity Credit Corporation Export Loans Program Account, the Committee provides an appropriation of \$4,085,000, an increase of \$265,000 above the amount available for fiscal year 1999 and the same as the budget request.

TITLE VI—RELATED AGENCIES AND FOOD AND DRUG
ADMINISTRATION

DEPARTMENT OF HEALTH AND HUMAN SERVICES

FOOD AND DRUG ADMINISTRATION

SALARIES AND EXPENSES

	<i>Appropriation</i>	<i>Prescription drug user fee</i>	<i>Total, FDA, S&E</i>
1999 appropriation	\$970,867,000	\$132,273,000	\$1,103,140,000
2000 budget estimate	1,109,950,000	145,434,000	1,255,384,000
Provided in the bill	1,072,950,000	145,434,000	¹ 1,218,384,000
Comparison:			
1999 appropriation	+102,083,000	+13,161,000	+115,244,000
2000 budget estimate	- 37,000,000	.....	- 37,000,000

¹Excludes amounts for the Mammography Quality Standards Act (MQSA), at \$14,817,000; Export Certification at \$1,030,000; Freedom of Information at \$1,061,000; and Certification Fund at \$3,877,000.

The Food and Drug Administration (FDA) is the principal consumer protection agency of the Federal Government. The agency's mission and sole objective is to protect and promote the public health through its science-based core activities of premarket review and postmarket assurance. FDA has jurisdiction over a wide variety of products that effect every person, every day: foods and cosmetics; human and animal drugs; biologics including blood and vaccines; medical devices; and radiological products. FDA activities assure that these products are safe and effective, as well as properly labeled.

FDA works extensively with stakeholders—industry, consumers, and other interested parties—to: (1) set food and product standards; (2) evaluate the safety and efficacy of new drugs and medical devices before they are marketed; (3) conduct and sponsor research studies to detect health hazards and violations of laws or regulations, and improve the agency's base of scientific knowledge to allow for better regulatory decision-making; (4) inform business firms and consumers about FDA-related topics; (5) work with state and local agencies to develop programs that will supplement or complement those of FDA; (6) maintain surveillance over foods, drugs, medical devices and electronic products to ensure that they are safe, effective, and honestly labeled; and (7) take legal action when necessary to remove violative products from the marketplace and to prosecute firms or individuals that violate the law.

FDA must respond to fulfill several challenges in order to meet statutory requirements and its mission: research and development-fueled pressures on regulatory responsibilities; greater product complexity driven by breakthroughs in technology; growth in the recognized adverse effects associated with product use; unpredictable new health and safety threats; emerging challenges in the

international arena; and the increased volume and diversity of imports.

COMMITTEE PROVISIONS

For the Food and Drug Administration, the Committee provides a total direct appropriation of \$1,072,950,000 for salaries and expenses, and makes available an additional \$145,434,000 in fees collected under the Prescription Drug User Fee Act, for a total of \$1,218,384,000. This is an increase of \$115,244,000 above the total amount available in fiscal year 1999 and a decrease of \$37,000,000 below the budget request.

The Committee recommends full funding of the budget request, with the exception of increases requested for seafood inspection and for tobacco.

Docket No. 95N-0304 (Ephedra).—The Committee directs that the agency shall not proceed with 62 Federal Register (June 4, 1997) Docket No. 95N-0304 without using sound science to assure strict compliance with the Dietary Supplement Health and Education Act, and use of adverse event reports in a manner consistent with previous rulemakings and agency policy. The Committee directs the agency to report to the Committee no later than 180 days after enactment the methodology used to determine compliance.

Generic Drugs.—Health care costs continue to represent a significant burden to federal health care programs and the American consumer. Over the next five years approximately \$22 billion in sales of brand name drugs will come off patent. Millions in savings can occur through the use of generic drug alternatives. The FDA will be able to help provide these significant cost savings only if it has adequate resources to review and approve generic drug applications in a timely manner. FDA's average approval time is still three times longer than the six-month statutory requirement. Therefore, the Committee strongly supports the budget request increase of \$1.9 million for the Office of Generic Drugs. These funds will be used to increase staffing levels by not less than 11 FTE's.

Imported Food.—The Committee is concerned about a report issued by the General Accounting Office (GAO) in April 1998 evaluating the current regulatory system for imported foods. That report identified substantial deficiencies in the coordination between FDA and the U.S. Customs Service. The Committee directs FDA to report by March 1, 2000 on activities undertaken to improve coordination and cooperation with Customs and in the inspection and regulation of imported foods, including a timetable for implementation.

Seafood Inspection.—The appropriations request included detailed authorization language which would transfer seafood inspection activities from the National Marine Fisheries Service to the Food and Drug Administration. In addition to the transfer of funds and personnel, the budget request for the Food and Drug Administration includes an increase of \$3,000,000 related to this transfer. The Committee feels strongly that this is a matter to be addressed by the authorization committee, and therefore has not included the requested authorization language, and has not provided the related \$3,000,000.

National Center for Food Safety and Technology.—Within funds provided for Food Safety activities, the Committee provides a total of \$3,000,000 for the National Center for Food Safety and Technology.

Tobacco.—On April 26, 1999, the Supreme Court agreed to review a decision by a federal appeals court holding that the Food and Drug Administration has no authority to regulate tobacco products. Pending the Supreme Court's review, the Committee recommends maintaining the program at the fiscal year 1999 level of \$34,000,000, and has not approved the budget request for an additional \$34,000,000 to double the appropriation for this activity.

The Committee requires that FDA provide a report, 90 days after the enactment of this bill, on the effects of reducing illegal tobacco sales to minors and the effect on compliance, through use of automated identification systems, such as those found on drivers licenses and other identification cards. This report should, at a minimum, include the following information: the cost of imposing such a requirement on retailers, both large and small; if such a system would work in all states; and if there are ways to circumvent the machines and reduce their effectiveness.

The Committee requires FDA to explore the possibility of providing retailers with "on the spot" results of compliance checks to assist retailers in responding appropriately to violations. While the majority of letters are sent to retailers following compliance checks within two weeks, it would be more beneficial if such notice were provided even more quickly. FDA should develop a pilot program to test out this concept, while ensuring the safety of the minor who is involved in the attempted purchase and not allowing clerks to notify other retailers in the same area that FDA is doing compliance checks. FDA should keep the Committee informed about this program.

Recommendations by activity.—The Committee recommends that of the total amount provided: (1) \$265,955,000 shall be for the Center for Food Safety and Applied Nutrition and related field activities in the Office of Regulatory Affairs; (2) \$316,760,000 shall be for the Center for Drug Evaluation and Research and related field activities in the Office of Regulatory Affairs; (3) \$138,114,000 shall be for the Center for Biologics Evaluation and Research and for related field activities in the Office of Regulatory Affairs; (4) \$52,473,000 shall be for the Center for Veterinary Medicine and for related field activities in the Office of Regulatory Affairs; (5) \$164,411,000 shall be for the Center for Devices and Radiological Health and for related field activities in the Office of Regulatory Affairs; (6) \$33,679,000 shall be for the National Center for Toxicological Research; (7) \$34,000,000 shall be for the Office of Tobacco; (8) \$25,855,000 shall be for Rent and Related activities, other than the amounts paid to the General Services Administration; (9) \$100,180,000 shall be for payments to the General Services Administration for rent and related costs; and (10) \$86,957,000 shall be for other activities, including the Office of the Commissioner, the Office of Policy, the Office of External Affairs, the Office of Operations, the Office of Management and Systems, and central services for these offices. Funds may be transferred from one specified activity to another with the prior approval of the Committee.

Waste-management Education and Research Consortium.—With sums provided for food safety, the Committee directs the Food and Drug Administration to provide \$100,000 for the Waste-management Education and Research Consortium (WERC) to assist in minimizing microbial hazards. Based on the model for its environmental design contest, WERC will conduct a design contest for students, faculty, and industry to find innovative solutions to ground water treatment and use in produce.

Antibiotic Resistance in Livestock.—A General Accounting Office report to Congress in April 1999 reflects the difference of opinion between USDA and HHS about the potential risks associated with the use of human antibiotics in animals and to what extent on-farm antibiotic use contributes to resistance. Accordingly, the Committee directs the Secretaries of Agriculture and Health and Human Services to implement the GAO report's recommendation and develop a joint strategy for addressing resistance. The USDA and the FDA are directed to report to Congress by January 2000 on that strategy, which should include a proposed timetable and budget for conducting a comprehensive and quantitative assessment of the risk to human health posed by on-farm antibiotic use. For food-borne pathogens, the assessment should compare the level of risk posed by other uses to the risk posed by on-farm antibiotic use. The report should also detail how the results of the risk assessment will be incorporated into regulations governing the approval and use of on-farm antibiotics.

Human-Use Antibiotics Used in Livestock Production.—The Committee is concerned about the potential human health risks associated with the use of human medicines, such as antibiotics in livestock production, including the development of antibiotic resistance in foodborne and other bacteria. In a July 1998 report prepared for the USDA and the FDA, the National Academy of Sciences concluded that "there is a link between the use of antibiotics in food animals, the development of bacterial resistance to these drugs, and human disease" but that "information gaps hinder the decision-making and policy process for regulatory approval and antibiotic use in food animals." Accordingly, the Committee directs the FDA to report to the Committee by January 2000 on human health risks associated with the uses of approved antibiotics in animals in the United States and on the status of FDA's development of regulations on data submission requirements for entry in an electronic data base on the use of antibiotics in animals that may compromise human therapies in the United States. Furthermore, the Committee directs the USDA to submit a report on the status of its research on the effectiveness of the use of growth promoting antibiotics in animals that may compromise human therapies and on alternatives to this practice.

Premarket Notification Program.—The Committee recognizes FDA's efforts in improving its premarket review process for food additive petitions. However, much more needs to be done. Implementation of the food contact substances Premarket Notification (PMN) program, as authorized by the FDA Modernization Act, is one way to achieve substantial improvement. The Committee encourages FDA to continue development of the PMN program. The President's Budget Request included a proposal to fund the PMN

program through additive user fees. The Committee supports enactment of such authorizing legislation, and requests that the Administration submit this proposed legislation to Congress and begin negotiations with the affected industry on the specifics of the legislation. The goal of these activities should be for implementation of this program in fiscal year 2000.

BUILDINGS AND FACILITIES

1999 appropriation	\$11,350,000
2000 budget estimate	31,750,000
Provided in the bill	31,750,000
Comparison:	
1999 appropriation	+20,400,000
2000 budget estimate	

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

COMMITTEE PROVISIONS

For Buildings and Facilities of the Food and Drug Administration, the Committee provides an appropriation of \$31,750,000, an increase of \$20,400,000 above the amount available for fiscal year 1999 and the same as the budget request.

Arkansas Regional Laboratory.—The Committee approves the full amount of the budget request of \$3,000,000 which will go towards a portion of the third and final phase of the overall Arkansas Regional Laboratory project at Jefferson, Arkansas. This phase will provide for the renovation of the existing Building 50 in its entirety for joint Office of Regulatory Affairs and National Center for Toxicological Research administrative support space and the restoration of the laboratory project site.

INDEPENDENT AGENCIES

COMMODITY FUTURES TRADING COMMISSION

1999 appropriation	¹ \$61,000,000
2000 budget estimate	67,655,000
Provided in the bill	65,000,000
Comparison:	
1999 appropriation	+4,000,000
2000 budget estimate	-2,655,000

¹ Does not include \$356,000 appropriated in fiscal year 1999 for Year 2000 compliance.

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

COMMITTEE PROVISIONS

For the Commodity Futures Trading Commission, the Committee provides an appropriation of \$65,000,000, an increase of \$4,000,000 above the amount available for fiscal year 1999 and a decrease of \$2,655,000 below the budget request.

FARM CREDIT ADMINISTRATION

LIMITATION ON ADMINISTRATIVE EXPENSES

1999 limitation	(\$35,800,000)
2000 budget estimate	(¹)
Provided in the bill	(35,800,000)
Comparison:	
1999 limitation .....	.....
2000 budget estimate	(+35,800,000)

¹The Farm Credit Administration submitted a budget of \$35,800,000 for fiscal year 2000.

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

The FCA is responsible for regulating, supervising, and examining the institutions of the Farm Credit System (System). The FCA and the System institutions operate under the authority of the Farm Credit Act of 1971 (12 U.S.C. 2001 et seq.). The institutions of the System are the Farm Credit banks, Federal land bank associations, Federal intermediate credit banks, production credit associations, Federal land credit associations, agricultural credit associations, and banks for cooperatives. The combined lending activities in the System institutions provided short- and long-term credit to the nation's farmers, ranchers, and producers and harvesters of aquatic products, and their cooperatives. System institutions are owned by their member borrowers. The operation of the System is funded through the sale of systemwide consolidated bonds and discount notes in the public money markets, and the institutions are fully liable for the payment of these securities. The operating expenses of the FCA are paid by the System institutions and by the Federal Agricultural Mortgage Corporation through assessments, which are deposited in a special fund in the Treasury which is available for the use of the FCA.

COMMITTEE PROVISIONS

For a limitation on the expenses of the Farm Credit Administration, the Committee provides \$35,800,000, the same as the amount available for fiscal year 1999.

TITLE VII—GENERAL PROVISIONS

The General Provisions contained in the accompanying bill for fiscal year 2000 are fundamentally the same as those included in last year's appropriations bill.

Section 713. Language is included to provide that subsidy authority for certain housing loan programs remains available until expended to cover obligations made in certain fiscal years.

Section 725. Language is included to prohibit funds from being used to carry out programs under the Fund for Rural America.

Section 726. Language is included to limit the amount of funds available for the Environmental Quality Incentives Program to \$174,000,000.

Section 728. Language is included to limit enrollment of acres in the Wetlands Reserve Program to 120,000 acres.

Section 729. Language is included to prohibit funds from being used to carry out the Initiative for Future Agriculture and Food Systems.

Section 730. This provision restores the eligibility of certain communities for rural development programs pending revision of population and other criteria.

Section 731. Language is included that funds in this Act shall not be used to carry out any commodity purchase program that would prohibit eligibility or participation by farmer-owned cooperatives.

Section 732. Language is included that prohibits funds from being used to carry out the Conservation Farm Option program.

Section 736. Language is included that limits funds for the emergency food assistance program and appropriates funds for Bill Emerson and Mickey Leland Hunger Fellowships.

Section 737. Language is included that prohibits the use of funds for implementation of the Kyoto Protocol.

TRANSFER OF UNEXPENDED BALANCES

Pursuant to clause 3(f)(2) of rule XIII of the Rules of the House of Representatives, the following statement is submitted describing the transfer of unexpended balances provided in the accompanying bill. Transfers of unexpended balances are assigned to the jurisdiction of the Committee on Appropriations by clause 3(f)(2) of rule XIII.

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

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

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

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

5. *Office of the Assistant Secretary for Congressional Relations.*—The bill requires a portion of the funds appropriated to the Office of the Assistant Secretary to be transferred to agencies.

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

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

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

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

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

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

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

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

14. *Rural Economic Development Loans Program Account.*—Language is included that allows for transfer of cushion of credit payments to this account.

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

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

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

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

CHANGES IN THE APPLICATION OF EXISTING LAW

Pursuant to clause 3(f)(1) of rule XIII of the Rules of the House of Representatives, the following statements are submitted describ-

ing the effect of provisions in the accompanying bill which directly or indirectly change the application of existing law. In most instances, these provisions have been included in prior appropriations bills, often at the request of or with the knowledge and consent of the responsible legislative committees.

Language is included in various parts of the bill to continue ongoing activities of those Federal agencies which require annual authorization or additional legislation which to date has not been enacted.

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

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

1. *Office of the Secretary*.—Language is included to limit the amount of funds for official reception and representation expenses, as determined by the Secretary.

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

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

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

5. *Agricultural Research Service*.—The bill includes language that prohibits funds from being used to carry out research related to the production, processing or marketing of tobacco or tobacco products. Language is included that allows the Agricultural Research Service to grant an easement at the Beltsville, MD agricultural research center, and language is included that authorizes the Agricultural Research Service to charge fees for any permit, easement, lease or other special use authorization for the occupancy or use of land and facilities issued by the agency and such fees shall be credited to the Agricultural Research Service and remain available until expended.

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

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

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

8. *Grain Inspection, Packers and Stockyards Administration, Inspection and Weighing Services*.—The bill includes authority to exceed the limitation on inspection and weighing services by 10 per-

cent with notification to the Appropriations Committees. This allows for flexibility if export activities require additional supervision and oversight, or other uncontrollable factors occur.

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

10. *Agricultural Marketing Service, Limitation on Administrative Expenses*.—The bill includes language to allow AMS to exceed the limitation on administrative expenses by 10 percent with notification to the Appropriations Committees. This allows flexibility in case crop size is understated and/or other uncontrollable events occur.

11. *Dairy Indemnity Program*.—Language is included that allows the Secretary to utilize the services of the Commodity Credit Corporation for the purpose of making dairy indemnity payments.

12. *Commodity Credit Corporation Fund, Reimbursement for Net Realized Losses*.—Language is included to provide for the reimbursement appropriation. Language is also included which limits the amount of funds that can be spent on operation and maintenance costs of CCC hazardous waste sites.

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

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

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

16. *Rural Housing Service—Rental Assistance Program*.—Language is included which provides that agreements entered into during fiscal year 2000 be funded for a five-year period.

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

18. *Rural Economic Development Loans Program Account*.—Language is included that allows for transfer of cushion of credit payments to this account.

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

20. *Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)*.—Language is included to prohibit funds from being used for studies and evaluations.

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

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

The bill includes language that prohibits funds from being used to promote the sale or export of tobacco or tobacco products. Language is included to limit the amount of funds for official reception and representation expenses.

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

24. *General Provisions*.—

Section 704: This provision repeats language carried since 1972 which permits the accumulation of growth capital not to exceed \$2,000,000, and which provides that no funds appropriated to an agency shall be transferred to the Working Capital Fund without the approval of the agency administrator.

Section 705: This provision, carried since 1976, is again included which provides that certain appropriations in this Act shall remain available until expended where the programs or projects involved are continuing in nature under the provisions of authorizing legislation, but for which such legislation does not specifically provide for extended availability. This authority tends to result in savings by preventing the wasteful practice often found in government of rushing to commit funds at the end of the fiscal year without due regard to the value of the purpose for which the funds are used. Such extended availability is also essential in view of the long lead time frequently required to negotiate agreements or contracts which normally extend over a period of more than one year. Under these conditions such authority is commonly provided in Appropriations Acts where omitted from basic law. These provisions have been carried through the years in this Act to facilitate efficient and effective program execution and to assure maximum savings. They involve the following items: Animal and Plant Health Inspection Service, the contingency fund to meet emergency conditions, fruit fly program, the reserve fund for integrated systems acquisition project, the boll weevil program, and up to 10 percent of the screwworm program; Food Safety and Inspection Service, field automation and information management project; Cooperative State Research, Education, and Extension Service, funds for the Native American institutions endowment fund and competitive research grants; Foreign Agricultural Service, middle-income country training program; Farm Service Agency, salaries and expenses to county committees; National Agricultural Statistics Service, Census of Agriculture; and funds appropriated for rental payments.

Section 708: This provision, included since fiscal year 1981, limits the overhead that can be charged on cooperative agreements to a maximum of 10 percent. This provision is necessary because many universities attempted to apply the same overhead rates to cooperative agreements as was being applied to grants and contracts, without giving consideration to the cooperator's contributions as an offset to the overhead charges.

Section 710: This provision, added in 1987, provides that none of the funds in this Act may be used to restrict the authority of CCC to lease space. This provision allows CCC to

continue to lease space at a lower cost than space leased by GSA.

Section 711: This provision provides that none of the funds in this Act may be made available to pay indirect costs charged against agricultural research, education, or extension grants awarded by the Cooperative State Research, Education, and Extension Service in excess of 19 percent of total direct costs, except for grants available under the Small Business Innovation and Development Act.

Section 712: This provision clarifies that loan levels provided in the Act are to be considered estimates and not limitations. The Federal Credit Reform Act of 1990 provides that the appropriated subsidy is the controlling factor for the amount of loans made and that as lifetime costs and interest rates change, the amount of loan authority will fluctuate.

Section 713: This provision provides that subsidy authority for certain housing loan programs remains available until expended to cover obligations made in certain fiscal years.

Section 714: This provision allows funds made available in fiscal year 2000 for the Rural Development Loan Fund Program Account; Rural Telephone Bank Program Account; the Rural Electrification and Telecommunications Loans Program Account; and the Rural Housing Insurance Fund Program Account to remain available until expended. The Credit Reform Act requires that the lifetime costs of loans be appropriated. Current law requires that funds unobligated after five years expire. The life of some loans extends well beyond the five-year period and this provision allows funds appropriated to remain available until the loans are closed out.

Section 715: This provision provides that sums necessary for fiscal year 2000 pay raises shall be absorbed within the levels appropriated in this Act.

Section 716: This provision provides that the Agricultural Marketing Service; Grain Inspection, Packers and Stockyards Administration; and the Animal and Plant Health Inspection Service; and the food safety activities of the Food Safety and Inspection Service may use cooperative agreements.

Section 717: This provision provides that the Natural Resources Conservation Service may use cooperative agreements.

Section 718: Provides that not more than 5 percent of Class A stock of the Rural Telephone Bank may be retired in fiscal year 2000. The provision also prohibits the maintenance of any account or subaccount which has not been specifically authorized by law. The provision also prohibits a transfer of any unobligated funds of the Rural Telephone Bank telephone liquidating account to the Treasury or the Federal Financing Bank that are in excess of current requirements.

Section 719: Provides that of the funds made available, not more than \$1,800,000 shall be used to cover expenses of activities related to all advisory committees, panels, commissions, and task forces of the Department of Agriculture except for panels used to comply with negotiated rule makings and panels used to evaluate competitive award grants.

Section 720: Provides that none of the funds may be used to carry out the provisions of section 918 of Public Law 104–127, the Federal Agriculture Improvement and Reform Act.

Section 721: This provision prohibits any employee of the Department of Agriculture from being detailed or assigned to any other agency or office of the Department for more than 30 days unless the individual's employing agency or office is fully reimbursed by the receiving agency or office for the salary and expenses of the employee for the period of assignment.

Section 722: This provision prohibits the Department of Agriculture from transmitting or making available to any non-Department of Agriculture employee questions or responses to questions that are a result of information requested for the appropriations hearing process.

Section 723: Language is included that requires approval of the Chief Information Officer and the concurrence of the Executive Information Technology Investment Review Board for acquisition of new information technology systems or significant upgrades.

Section 724: Language is included that requires certain reprogramming procedures of funds provided in Appropriations Acts.

Section 725: Language is included to prohibit funds from being used to carry out programs under the Fund for Rural America.

Section 726: Language is included to limit the amount of funds available for the Environmental Quality Incentives Program to \$174,000,000.

Section 727: Language is included to prohibit contract acreage payments to a producer who plants wild rice on contract acreage unless the contract payment is reduced by an acre for each acre planted to wild rice.

Section 728: Language is included to limit enrollment of acres in the Wetlands Reserve Program to 120,000 acres.

Section 729: Language is included to prohibit funds from being used to carry out the Initiative for Future Agriculture and Food Systems.

Section 730: Language is included that defines rural areas for certain business programs that were in place prior to the enactment of P.L. 104–127.

Section 731. Language is included that funds in this Act shall not be used to carry out any commodity purchase program that would prohibit eligibility or participation by farmer-owned cooperatives.

Section 732. Language is included that prohibits funds from being used to carry out the Conservation Farm Option program.

Section 733: Language is included that prohibits funds from being used to prepare a budget submission to Congress that assumes reductions from the previous year's budget due to user fee proposals unless the submission also identifies spending reductions which should occur if the user fees are not enacted.

Section 734: Language is included that prohibits the establishment of the Office of Community Food Security or any simi-

lar office without the prior approval of the Committees on Appropriations of both Houses of Congress.

Section 735: Language is included that prohibits the use of the funds made available by this Act or any other Act for the National Swine Research Center.

Section 736: This provision limits the amount of funds available for the emergency food assistance program and provides \$1,000,000 for a fellowship program on hunger.

Section 737: Language is included that prohibits funds made available by this Act to issue rules, regulations, decrees, or orders for the purpose of implementation of the Kyoto Protocol

COMPLIANCE WITH CLAUSE 3 OF RULE XIII (RAMSEYER RULE)

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter printed in italic, existing law in which no change is proposed is shown in roman):

The bill proposes no changes in existing law.

APPROPRIATIONS NOT AUTHORIZED BY LAW

Pursuant to clause 3(f)(1) of rule XIII of the Rules of the House of Representatives, the following table lists the appropriations in the accompanying bill which are not authorized by law:

- Dairy Indemnity Program
- Elderly Feeding Program
- Emerson-Leland Hunger Fellowships

RESCISSIONS

Pursuant to clause 3(f)(2) of rule XIII of the Rules of the House of Representatives, the following table is submitted describing the rescissions recommended in the accompanying bill:

The bill proposes no rescissions.

COMPARISON WITH BUDGET RESOLUTION

Clause 3(c)(2) of Rule XIII of the Rules of the House of Representatives requires an explanation of compliance with section 308(a)(1)(A) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344), as amended, which requires that the report accompanying a bill providing new budget authority contain a statement detailing how that authority compares with the reports submitted under section 302 of the Act for the most recently agreed to concurrent resolution on the budget for the fiscal year from the Committee's section 302(a) allocation. This information follows:

[In millions of dollars]

Full committee data	302(b) allocation		This bill	
	Budget authority	Outlays	Budget authority	Outlays
Comparison with Budget Resolution:				
Discretionary	13,988	14,542	13,988	14,542

[In millions of dollars]

Full committee data	302(b) allocation		This bill	
	Budget authority	Outlays	Budget authority	Outlays
Mandatory	50,295	33,088	47,076	32,467
Total	64,283	47,630	61,064	47,009

FIVE-YEAR OUTLAY PROJECTIONS

In compliance with section 308(a)(1)(B) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344), as amended, the following table contains five-year projections associated with the budget authority provided in the accompanying bill:

[Five year projections]

Budget Authority	61,064
Outlays:	
2000	47,009
2001	4,253
2002	593
2003	329
2004 and beyond	457

The bill provides no new revenues or tax expenditures, and will have no effect on budget authority, budget outlays, spending authority, revenues, tax expenditures, direct loan obligations, or primary loan guarantee commitments available under existing law for fiscal year 2000 and beyond.

ASSISTANCE TO STATE AND LOCAL GOVERNMENTS

In accordance with section 308(a)(1)(C) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344), as amended, the financial assistance to state and local governments is as follows:

[In millions of dollars]

New budget authority	18,230
Fiscal year 2000 outlays resulting therefrom	15,527

PROGRAM, PROJECT, AND ACTIVITY

During fiscal year 2000, for purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177), the following information provides the definition of the term “program, project, and activity” for departments and agencies under the jurisdiction of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Subcommittee. The term “program, project, and activity” shall include the most specific level of budget items identified in the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act of 2000, the House and Senate Committee reports, and the conference report and accompanying joint explanatory statement of the managers of the committee of conference.

If a Sequestration Order is necessary, in implementing the required Presidential Order, departments and agencies shall apply any percentage reduction for fiscal year 2000 pursuant to the provisions of Public Law 99-177 to all items specified in the explanatory notes submitted to the Committees on Appropriations of the House and Senate in support of the fiscal year 2000 budget estimates, as amended, for such departments and agencies, as modified by congressional action, and in addition:

For the Agricultural Research Service the definition shall include specific research locations as identified in the explanatory notes and lines of research specifically identified in the reports of the House and Senate Appropriations Committees.

For the Natural Resources Conservation Service the definition shall include individual flood prevention projects as identified in the explanatory notes and individual operational watershed projects as summarized in the notes.

For the Farm Service Agency the definition shall include individual state, district, and county offices.

FULL COMMITTEE VOTES

Pursuant to the provisions of clause 3(a)(1)(b) of rule XIII of the Rules of the House of Representatives, the results of each rollcall vote on an amendment or on the motion to report, together with the names of those voting for and those voting against, are printed below:

ROLLCALL NO. 1

Date: May 19, 1999.

Measure: Agriculture Appropriations Bill, FY 2000.

Motion by: Ms. Kaptur.

Description of motion: To provide \$94,377,000 of emergency appropriations for the direct cost of direct and guaranteed loans in the amount of \$1,511,330,000 for farm ownership loans, operating loans, and emergency loans.

Results: Rejected 25 yeas to 30 nays.

<i>Members Voting Yea</i>	<i>Members Voting Nay</i>
Mr. Bond	Mr. Aderholt
Mr. Clyburn	Mr. Bonilla
Mr. Cramer	Mr. Callahan
Ms. DeLauro	Mr. Cunningham
Mr. Dicks	Mr. DeLay
Mr. Edwards	Mr. Dickey
Mrs. Emerson	Mr. Forbes
Mr. Farr	Mr. Frelinghuysen
Mr. Hinchey	Ms. Granger
Mr. Hoyer	Mr. Hobson
Mr. Jackson	Mr. Kingston
Ms. Kaptur	Mr. Knollenberg
Ms. Kilpatrick	Mr. Kolbe
Mrs. Lowey	Mr. Latham
Mrs. Meek	Mr. Lewis
Mr. Mollohan	Mr. Miller
Mr. Moran	Mr. Nethercutt

Mr. Obey	Mrs. Northup
Mr. Olver	Mr. Packard
Mr. Pastor	Mr. Peterson
Ms. Pelosi	Mr. Porter
Mr. Price	Mr. Rogers
Ms. Roybal-Allard	Mr. Skeen
Mr. Sabo	Mr. Taylor
Mr. Visclosky	Mr. Tiahrt
	Mr. Walsh
	Mr. Wamp
	Mr. Wicker
	Mr. Wolf
	Mr. Young

ROLLCALL NO. 2

Date: May 19, 1999.

Measure: Agriculture Appropriations Bill, FY 2000.

Motion by: Mr. Nethercutt.

Description of motion: To prohibit the President from restricting exports to any country of food, other agricultural products, medicines, or medical supplies or equipment unless the President waives this prohibition for national security reasons.

Results: Rejected 24 yeas to 28 nays.

Members Voting Yea

Mr. Aderholt
 Mr. Clyburn
 Mr. Cunningham
 Mr. Dickey
 Mr. Dicks
 Mrs. Emerson
 Mr. Farr
 Mr. Hinchey
 Mr. Istook
 Mr. Jackson
 Mr. Kolbe
 Mr. Latham
 Mr. Moran
 Mr. Nethercutt
 Mr. Olver
 Mr. Pastor
 Mr. Peterson
 Ms. Roybal-Allard
 Mr. Sabo
 Mr. Sununu
 Mr. Tiahrt
 Mr. Visclosky
 Mr. Walsh
 Mr. Wamp

Members Voting Nay

Mr. Boyd
 Mr. Callahan
 Ms. DeLauro
 Mr. DeLay
 Mr. Edwards
 Mr. Forbes
 Mr. Frelinghuysen
 Ms. Granger
 Mr. Hobson
 Mr. Hoyer
 Ms. Kaptur
 Ms. Kilpatrick
 Mr. Knollenberg
 Mr. Lewis
 Mrs. Lowey
 Mr. Miller
 Mr. Mollohan
 Mr. Obey
 Mr. Packard
 Ms. Pelosi
 Mr. Porter
 Mr. Price
 Mr. Regula
 Mr. Rogers
 Mr. Skeen
 Mr. Wicker
 Mr. Wolf
 Mr. Young

ROLLCALL NO. 3

Date: May 19, 1999.

Measure: Agriculture Appropriations Bill, FY 2000.

Motion by: Ms. Kaptur.

Description of motion: To provide \$500,000,000 of emergency appropriations for use in the program authorized by section 32 of the Act of August 24, 1935, for strengthening Markets, Income and Supply.

Results: Rejected 23 yeas to 28 nays.

Members Voting Yea

Mr. Boyd
 Mr. Clyburn
 Ms. DeLauro
 Mr. Edwards
 Mrs. Emerson
 Mr. Farr
 Mr. Hinchey
 Mr. Hoyer
 Mr. Jackson
 Ms. Kaptur
 Ms. Kilpatrick
 Mrs. Lowey
 Mrs. Meek
 Mr. Mollohan
 Mr. Moran
 Mr. Obey
 Mr. Olver
 Mr. Pastor
 Ms. Pelosi
 Mr. Price
 Ms. Roybal-Allard
 Mr. Sabo
 Mr. Visclosky

Members Voting Nay

Mr. Aderholt
 Mr. Bonilla
 Mr. Callahan
 Mr. Cunningham
 Mr. Forbes
 Mr. Frelinghuysen
 Ms. Granger
 Mr. Hobson
 Mr. Istook
 Mr. Kingston
 Mr. Knollenberg
 Mr. Kolbe
 Mr. Latham
 Mr. Miller
 Mr. Nethercutt
 Mr. Packard
 Mr. Peterson
 Mr. Porter
 Mr. Regula
 Mr. Rogers
 Mr. Skeen
 Mr. Sununu
 Mr. Tiahrt
 Mr. Walsh
 Mr. Wamp
 Mr. Wicker
 Mr. Wolf
 Mr. Young

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1999
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2000**
(Amounts in thousands)

	FY 1999 Enacted	FY 2000 Request	Bill	Bill vs. Enacted	Bill vs. Request
TITLE I - AGRICULTURAL PROGRAMS					
Production, Processing, and Marketing					
Office of the Secretary	2,836	2,942	2,836	.....	-106
Executive Operations:					
Chief Economist	5,620	6,622	5,620	.....	-1,002
National Appeals Division	11,718	12,699	11,718	.....	-981
Office of Budget and Program Analysis	6,120	6,583	6,583	+463	.....
Office of the Chief Information Officer	5,551	7,998	6,051	+500	-1,947
Y2K conversion (emergency appropriations)	46,168	.....	.....	-46,168	.....
Office of the Chief Financial Officer	4,283	6,288	4,283	.....	-2,005
<hr/>					
Total, Executive Operations	79,460	40,190	34,255	-45,205	-5,935
<hr/>					
Office of the Assistant Secretary for Administration	613	636	613	.....	-23
Agriculture buildings and facilities and rental payments	137,184	166,364	166,364	+29,180	.....
Payments to GSA	(108,057)	(115,542)	(115,542)	(+7,485)	.....
Building operations and maintenance	(24,127)	(24,822)	(24,822)	(+695)	.....
Repairs, renovations, and construction	(5,000)	(26,000)	(26,000)	(+21,000)	.....
Hazardous waste management	15,700	22,700	15,700	.....	-7,000
Departmental administration	32,168	36,117	36,117	+3,949	.....
Outreach for socially disadvantaged farmers	3,000	10,000	3,000	.....	-7,000
Office of the Assistant Secretary for Congressional Relations	3,668	3,805	3,668	.....	-137
Office of Communications	8,138	9,300	8,138	.....	-1,162
Office of the Inspector General	65,128	68,246	65,128	.....	-3,118

Office of the General Counsel.....	29,194	32,675	29,194	.....	-3,481
Office of the Under Secretary for Research, Education and Economics.	540	2,061	940	+ 400	-1,121
Economic Research Service.....	65,757	55,628	70,266	+4,509	+ 14,638
National Agricultural Statistics Service.....	103,964	100,559	100,559	-3,405	.....
Census of Agriculture.....	(23,599)	(16,490)	(16,490)	(-7,109)	.....
Agricultural Research Service	785,518	836,868	836,381	+ 50,863	-487
Buildings and facilities.....	56,437	44,500	44,500	-11,937	.....
Total, Agricultural Research Service.....	841,955	881,368	880,881	+ 38,926	-487
Cooperative State Research, Education, and Extension Service:					
Research and education activities.....	481,216	468,965	467,327	-13,889	-1,638
Native American Institutions Endowment Fund.....	(4,600)	(4,600)	(4,600)	.....	.....
Extension activities	437,987	401,603	438,987	+ 1,000	+ 37,384
Integrated activities.....	.....	72,844	10,000	+ 10,000	-62,844
Total, Cooperative State Research, Education, and Extension Service	919,203	943,412	916,314	-2,889	-27,098
Office of the Under Secretary for Marketing and Regulatory Programs.....	618	641	618	.....	-23
Animal and Plant Health Inspection Service:					
Salaries and expenses	425,803	435,445	444,000	+ 18,197	+ 8,555
AQI user fees.....	(88,000)	(95,000)	(87,000)	(-1,000)	(-8,000)
Buildings and facilities.....	7,700	7,200	7,200	-500	.....
Total, Animal and Plant Health Inspection Service	433,503	442,645	451,200	+ 17,697	+ 8,555

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1999
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2000—Continued**
(Amounts in thousands)

	FY 1999 Enacted	FY 2000 Request	Bill	Bill vs. Enacted	Bill vs. Request
Agricultural Marketing Service:					
Marketing Services.....	48,831	60,182	49,152	+ 321	-11,030
Standardization user fees	(4,000)	(4,000)	(4,000)	.....	.....
(Limitation on administrative expenses, from fees collected)	(60,730)	(60,730)	(60,730)	.....	.....
Funds for strengthening markets, income, and supply (transfer from section 32).....	10,998	12,443	12,443	+ 1,445	.....
Payments to states and possessions.....	1,200	1,200	1,200	.....	.....
Total, Agricultural Marketing Service	61,029	73,825	62,795	+ 1,766	-11,030
Grain Inspection, Packers and Stockyards Administration:					
Salaries and expenses	26,787	26,448	26,448	-339	.....
Limitation on inspection and weighing services	(42,557)	(42,557)	(42,557)	.....	.....
Office of the Under Secretary for Food Safety.....	446	469	446	.....	-23
Food Safety and Inspection Service	616,986	652,955	652,955	+ 35,969	.....
Lab accreditation fees 1/	(1,000)	(1,000)	(1,000)	.....	.....
Total, Production, Processing, and Marketing	3,447,877	3,572,986	3,528,435	+ 80,558	-44,551
Farm Assistance Programs					
Office of the Under Secretary for Farm and Foreign Agricultural Services.....	572	595	572	.....	-23

Farm Service Agency:					
Salaries and expenses	714,499	794,839	794,839	+ 80,340	.....
(Transfer from export loans)	(589)	(672)	(672)	(+ 83)	.....
(Transfer from P.L. 480)	(815)	(845)	(845)	(+ 30)	.....
(Transfer from ACIF)	(209,861)	(209,861)	(209,861)		.....
Subtotal, Transfers from program accounts.....	(211,265)	(211,378)	(211,378)	(+ 113)	.....
Total, salaries and expenses.....	(925,764)	(1,006,217)	(1,006,217)	(+ 80,453)	.....
State mediation grants.....	2,000	4,000	4,000	+ 2,000	.....
Dairy indemnity program.....	450	450	450		.....
Subtotal, Farm Service Agency	716,949	799,289	799,289	+ 82,340	.....
Agricultural Credit Insurance Fund Program Account:					
Loan authorizations:					
Farm ownership loans:					
Direct	(85,651)	(128,049)	(128,049)	(+ 42,398)	.....
Guaranteed	(425,031)	(431,373)	(431,373)	(+ 6,342)	.....
Subtotal	(510,682)	(559,422)	(559,422)	(+ 48,740)	.....
Farm operating loans:					
Direct	(500,000)	(500,000)	(500,000)		.....
Guaranteed unsubsidized	(948,276)	(1,697,842)	(1,697,842)	(+ 749,566)	.....
Guaranteed subsidized	(200,000)	(97,442)	(97,442)	(- 102,558)	.....
Subtotal	(1,648,276)	(2,295,284)	(2,295,284)	(+ 647,008)	.....

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1999
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2000—Continued**
(Amounts in thousands)

	FY 1999 Enacted	FY 2000 Request	Bill	Bill vs. Enacted	Bill vs. Request
Indian tribe land acquisition loans	(1,000)	(1,028)	(1,028)	(+ 28)	.....
Emergency disaster loans.....	(25,000)	(53,000)	(53,000)	(+ 28,000)	.....
Boll weevil eradication loans.....	(100,000)	(100,000)	(100,000)	.....	.....
Total, Loan authorizations	(2,284,958)	(3,008,734)	(3,008,734)	(+ 723,776)	.....
Loan subsidies:					
Farm ownership loans:					
Direct.....	12,822	4,827	4,827	-7,995	.....
Guaranteed.....	6,758	2,416	2,416	-4,342	.....
Subtotal.....	19,580	7,243	7,243	-12,337	.....
Farm operating loans:					
Direct.....	34,150	29,300	29,300	-4,850	.....
Guaranteed unsubsidized.....	11,000	23,940	23,940	+ 12,940	.....
Guaranteed subsidized.....	17,480	8,585	8,585	-8,895	.....
Subtotal.....	62,630	61,825	61,825	-805	.....
Indian tribe land acquisition.....	153	21	21	-132	.....
Emergency disaster loans.....	5,900	8,231	8,231	+ 2,331	.....
Boll weevil loans subsidy.....	1,440	.....	.....	-1,440	.....
Total, Loan subsidies.....	89,703	77,320	77,320	-12,383	.....

ACIF expenses:							
Salaries and expense (transfer to FSA)	209,861	209,861	209,861	209,861			
Administrative expenses	10,000	4,300	4,300	4,300		-5,700	
Total, ACIF expenses	219,861	214,161	214,161	214,161		-5,700	
Total, Agricultural Credit Insurance Fund (Loan authorization)	309,564 (2,284,958)	291,481 (3,008,734)	291,481 (3,008,734)	291,481 (3,008,734)		-18,083 (+ 723,776)	
Total, Farm Service Agency	1,026,513	1,090,770	1,090,770	1,090,770		+64,257	
Risk Management Agency	64,000	70,716	70,716	70,716		+ 6,716	
Support Services Bureau		74,050	74,050				-74,050
Total, Farm Assistance Programs	1,091,085	1,236,131	1,236,131	1,162,058		+ 70,973	-74,073
Corporations							
Federal Crop Insurance Corporation:							
Federal crop insurance corporation fund	1,504,036	997,000	997,000	997,000		-507,036	
Commodity Credit Corporation Fund:							
Reimbursement for net realized losses	8,439,000	14,368,000	14,368,000	14,368,000		+ 5,929,000	
Operations and maintenance for hazardous waste management (limitation on administrative expenses)	(5,000)	(5,000)	(5,000)	(5,000)			
Total, Corporations	9,943,036	15,365,000	15,365,000	15,365,000		+ 5,421,964	
Total, title I, Agricultural Programs (By transfer)	14,481,998 (211,265)	20,174,117 (211,378)	20,055,493 (211,378)	20,055,493 (211,378)		+ 5,573,495 (+ 113)	-118,624
(Loan authorization)	(2,284,958)	(3,008,734)	(3,008,734)	(3,008,734)		(+ 723,776)	
(Limitation on administrative expenses)	(108,287)	(108,287)	(108,287)	(108,287)			

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1999
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2000—Continued**
(Amounts in thousands)

	FY 1999 Enacted	FY 2000 Request	Bill	Bill vs. Enacted	Bill vs. Request
TITLE II - CONSERVATION PROGRAMS					
Office of the Under Secretary for Natural Resources and Environment.....	693	721	693	.....	-28
Natural Resources Conservation Service:					
Conservation operations.....	641,243	680,679	654,243	+ 13,000	-26,436
(By transfer).....	.....	(44,423)	.....	.....	(-44,423)
Watershed surveys and planning.....	10,368	11,732	10,368	.....	-1,364
Watershed and flood prevention operations.....	99,443	83,423	99,443	.....	+ 16,020
(Transfer out).....	.....	(-44,423)	.....	.....	(+ 44,423)
Resource conservation and development.....	35,000	35,265	35,265	+ 265	.....
Forestry incentives program.....	6,325	.....	.....	-6,325	.....
Debt for nature.....	.....	5,000	.....	.....	-5,000
Farmland protection program.....	.....	50,000	.....	.....	-50,000
Total, Natural Resources Conservation Service.....	792,379	866,099	799,319	+ 6,940	-66,780
Total, title II, Conservation Programs.....	793,072	866,820	800,012	+ 6,940	-66,808
TITLE III - RURAL DEVELOPMENT PROGRAMS					
Office of the Under Secretary for Rural Development.....	588	612	588	.....	-24
Rural community advancement program.....	722,686	670,103	666,103	-56,583	-4,000

Rural Housing Service:					
Rural Housing Insurance Fund Program Account:					
Loan authorizations:					
Single family (sec. 502).....	(965,313)	(1,100,000)	(1,337,632)	(+ 372,319)	(+ 237,632)
Unsubsidized guaranteed	(3,000,000)	(3,200,000)	(3,200,000)	(+ 200,000)	.....
Housing repair (sec. 504).....	(25,001)	(32,396)	(32,400)	(+ 7,399)	(+ 4)
Farm labor (sec. 514).....	(20,000)	(25,001)	(25,000)	(+ 5,000)	(-1)
Rental housing (sec. 515).....	(114,321)	(100,000)	(120,000)	(+ 5,679)	(+ 20,000)
Multifamily housing guarantees (sec. 538).....	(100,000)	(100,000)	(100,000)	.....	.....
Site loans (sec. 524).....	(5,152)	(5,152)	(5,152)	.....	.....
Credit sales of acquired property	(16,930)	(7,503)	(7,503)	(-9,427)	.....
Self-help housing land development fund	(5,000)	(5,000)	(5,000)	.....	.....
Total, Loan authorizations	(4,251,717)	(4,575,052)	(4,832,687)	(+ 580,970)	(+ 257,635)
Loan subsidies:					
Single family (sec. 502).....	114,100	93,830	114,100	.....	+ 20,270
Unsubsidized guaranteed	2,700	19,520	19,520	+ 16,820	.....
Housing repair (sec. 504).....	8,808	9,900	9,900	+ 1,092	.....
Multifamily housing guarantees (sec. 538).....	2,320	480	480	-1,840	.....
Farm labor (sec. 514).....	10,406	11,308	11,308	+ 902	.....
Rental housing (sec. 515).....	55,160	39,680	47,616	-7,544	+ 7,936
Site loans (sec. 524).....	17	4	4	-13	.....
Credit sales of acquired property	3,492	874	874	-2,618	.....
Self-help housing land development fund	282	281	281	-1	.....
Total, Loan subsidies.....	197,285	175,877	204,083	+ 6,798	+ 28,206
RHIF administrative expenses (transfer to RHS).....	360,785	383,879	377,879	+ 17,094	-6,000

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1999
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2000—Continued**
(Amounts in thousands)

	FY 1999 Enacted	FY 2000 Request	Bill	Bill vs. Enacted	Bill vs. Request
Rental assistance program:					
(Sec. 521)	577,497	434,100	577,500	+3	+143,400
(Sec. 502(c)(5)(D))	5,900	5,900	5,900		
Subtotal	583,397	440,000	583,400	+3	+143,400
Advance appropriation, FY 2001		200,000			-200,000
Total, Rental assistance program	583,397	640,000	583,400	+3	-56,600
Total, Rural Housing Insurance Fund	1,141,467	1,199,756	1,165,362	+23,895	-34,394
(Loan authorization)	(4,251,717)	(4,575,052)	(4,832,687)	(+580,970)	(+257,635)
Mutual and self-help housing grants	26,000	30,000	28,000	+2,000	-2,000
Rural housing assistance grants	41,000	54,000	50,000	+9,000	-4,000
Subtotal, grants and payments	67,000	84,000	78,000	+11,000	-6,000
RHS expenses:					
Salaries and expenses	60,978	61,979	61,979	+1,001	
(Transfer from RHIF)	(360,785)	(383,879)	(377,879)	(+17,094)	(-6,000)
Total, RHS expenses	(421,763)	(445,858)	(439,858)	(+18,095)	(-6,000)
Total, Rural Housing Service	1,269,445	1,345,735	1,305,341	+35,896	-40,394
(Loan authorization)	(4,251,717)	(4,575,052)	(4,832,687)	(+580,970)	(+257,635)

Rural Business-Cooperative Service:				
Rural Development Loan Fund Program Account:				
(Loan authorization).....	(33,000)	(52,495)	(52,495)	(+19,495)
Loan subsidy.....	16,615	22,799	22,799	+6,184
Administrative expenses (transfer to RBCS).....	3,482	3,337	3,337	-145
Total, Rural Development Loan Fund.....	20,097	26,136	26,136	+6,039
Rural Economic Development Loans Program Account:				
(Loan authorization).....	(15,000)	(15,000)	(15,000)	
Direct subsidy.....	3,783	3,453	3,453	-330
Rural cooperative development grants.....	3,300	9,000	6,000	+2,700
RBCS expenses:				
Salaries and expenses.....	25,680	24,612	24,612	-1,068
(Transfer from RDLEP).....	(3,482)	(3,337)	(3,337)	(-145)
Total, RBCS expenses.....	(29,162)	(27,949)	(27,949)	(-1,213)
Total, Rural Business-Cooperative Service.....	52,860	63,201	60,201	+7,341
(By transfer).....	(3,482)	(3,337)	(3,337)	(-145)
(Loan authorization).....	(48,000)	(67,495)	(67,495)	(+19,495)
				-3,000

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1999
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2000—Continued**
(Amounts in thousands)

	FY 1999 Enacted	FY 2000 Request	Bill	Bill vs. Enacted	Bill vs. Request
Rural Utilities Service:					
Rural Electrification and Telecommunications Loans Program					
Account:					
Loan authorizations:					
Direct loans:					
Electric 5%	(71,500)	(50,000)	(121,500)	(+ 50,000)	(+ 71,500)
Telecommunications 5%	(75,000)	(50,000)	(75,000)	.....	(+ 25,000)
Subtotal.....	(146,500)	(100,000)	(196,500)	(+ 50,000)	(+ 96,500)
Treasury rates: Telecommunications	(300,000)	(300,000)	(300,000)	.....	.....
Muni-rate: Electric.....	(295,000)	(250,000)	(295,000)	.....	(+ 45,000)
Subtotal.....	(700,000)	(300,000)	(1,500,000)	(+ 800,000)	(+ 1,200,000)
Telecommunications	(120,000)	(120,000)	(120,000)	.....	.....
Subtotal.....	(820,000)	(420,000)	(1,620,000)	(+ 800,000)	(+ 1,200,000)
Total, Loan authorizations	(1,561,500)	(1,070,000)	(2,411,500)	(+ 850,000)	(+ 1,341,500)

Loan subsidies:								
Direct loans:								
Electric 5%	9,325	450	1,095	-8,230	+645			
Telecommunications 5%	7,342	560	840	-6,502	+280			
Subtotal	16,667	1,010	1,935	-14,732	+925			
Treasury rates: Telecommunications	810	2,370	2,370	+1,560				
Muni-rate: Electric	25,842	9,175	10,827	-15,015	+1,652			
Total, Loan subsidies	43,319	12,555	15,132	-28,187	+2,577			
RETLP administrative expenses (transfer to RUS)	29,982	31,046	31,046	+1,064				
Total, Rural Electrification and Telecommunications Loans Program Account (Loan authorization)	73,301	43,601	46,178	-27,123	+2,577			
Rural Telephone Bank Program Account: (Loan authorization)	(1,561,500)	(1,070,000)	(2,411,500)	(+850,000)	(+1,341,500)			
Direct loan subsidy	(157,509)	(175,000)	(175,000)	(+17,491)				
RTP administrative expenses (transfer to RUS)	4,174	3,290	3,290	-884				
Total	3,000	3,000	3,000					
Total	7,174	6,290	6,290	-884				
Distance learning and telemedicine program: (Loan authorization)	(150,000)	(200,000)	(200,000)	(+50,000)				
Direct loan subsidy	180	700	700	+520				
Grants	12,500	20,000	16,000	+3,500	-4,000			
Total	12,680	20,700	16,700	+4,020	-4,000			

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1999
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2000—Continued**
(Amounts in thousands)

	FY 1999 Enacted	FY 2000 Request	Bill	Bill vs. Enacted	Bill vs. Request
Alternative Agricultural Research and Commercialization Revolving Fund	3,500	10,000	.....	-3,500	-10,000
RUS expenses:					
Salaries and expenses.....	33,000	34,107	34,107	+ 1,107	.....
(Transfer from RETLP).....	(29,982)	(31,046)	(31,046)	(+ 1,064)	.....
(Transfer from RTP)	(3,000)	(3,000)	(3,000)	.....	.....
Total, RUS expenses.....	(65,982)	(68,153)	(68,153)	(+ 2,171)	.....
Total, Rural Utilities Service	129,655	114,698	103,275	-26,380	-11,423
(By transfer).....	(32,982)	(34,046)	(34,046)	(+ 1,064)	.....
(Loan authorization).....	(1,869,009)	(1,445,000)	(2,786,500)	(+ 917,491)	(+ 1,341,500)
Total, title III, Rural Economic and Community Development Programs	2,175,234	2,194,349	2,135,508	-39,726	-58,841
(By transfer).....	(397,249)	(421,262)	(415,262)	(+ 18,013)	(-6,000)
(Loan authorization).....	(6,168,726)	(6,087,547)	(7,686,682)	(+ 1,517,956)	(+ 1,599,135)
TITLE IV - DOMESTIC FOOD PROGRAMS					
Office of the Under Secretary for Food, Nutrition and Consumer Services.....	554	576	554	.....	-22

Food and Nutrition Service:								
Child nutrition programs	4,128,747	4,620,768	4,611,829	+ 483,082	-8,939			
Transfer from section 32	5,048,150	4,929,268	4,935,199	-112,951	+5,931			
Discretionary spending		15,000			-15,000			
Total, Child nutrition programs.....	9,176,897	9,565,036	9,547,028	+ 370,131	-18,008			
Special supplemental nutrition program for women, infants, and children (WIC).....	3,924,000	4,105,495	4,005,000	+ 81,000	-100,495			
Food stamp program:								
Expenses.....	21,159,106	20,109,444	20,109,444	-1,049,662				
Reserve.....	100,000	1,000,000	100,000		-900,000			
Nutrition assistance for Puerto Rico	1,236,000	1,268,000	1,268,000	+ 32,000				
Discretionary spending		7,000			-7,000			
The emergency food assistance program	90,000	100,000	100,000	+ 10,000				
Advance appropriation, FY 2001		4,800,000			-4,800,000			
Total, Food stamp program	22,585,106	27,284,444	21,577,444	-1,007,662	-5,707,000			
Commodity assistance program	131,000	155,215	141,000	+ 10,000	-14,215			
Food donations programs:								
Needy family program.....	1,081	1,081	1,081					
Elderly feeding program.....	140,000	150,000	140,000		-10,000			
Total, Food donations programs.....	141,081	151,081	141,081		-10,000			

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1999
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2000—Continued**
(Amounts in thousands)

	FY 1999 Enacted	FY 2000 Request	Bill	Bill vs. Enacted	Bill vs. Request
Food program administration	108,561	119,841	108,561	.....	-11,280
Total, Food and Nutrition Service	36,066,645	41,381,112	35,520,114	-546,531	-5,860,998
Total, title IV, Domestic Food Programs	36,067,199	41,381,688	35,520,668	-546,531	-5,861,020
TITLE V - FOREIGN ASSISTANCE AND RELATED PROGRAMS					
Foreign Agricultural Service and General Sales Manager:					
Direct appropriation.....	136,203	137,768	137,768	+1,565	.....
(Transfer from export loans).....	(3,231)	(3,413)	(3,413)	(+182)	.....
(Transfer from P.L. 480).....	(1,035)	(1,093)	(1,093)	(+58)	.....
Total, Program level.....	(140,469)	(142,274)	(142,274)	(+1,805)	.....
Public Law 480 Program and Grant Accounts:					
Title I - Credit sales:					
Program level	(219,724)	(150,324)	(214,582)	(-5,142)	(+64,258)
Direct loans	(203,475)	(138,324)	(200,582)	(-2,893)	(+62,258)
Ocean freight differential.....	16,249	12,000	14,000	-2,249	+2,000
Title II - Commodities for disposition abroad:					
Program level	(837,000)	(787,000)	(837,000)	.....	(+50,000)
Appropriation.....	837,000	787,000	837,000	.....	+50,000

Title III - Commodity grants:					
Program level	(25,000)				(-25,000)
Appropriation	25,000				-25,000
Loan subsidies	176,596	114,062	165,400		-11,196
Salaries and expenses:					
General Sales Manager (transfer to FAS)	1,035	1,093	1,093		+58
Farm Service Agency (transfer to FSA)	815	845	845		+30
Subtotal	1,850	1,938	1,938		+88
Total, Public Law 480:					
Program level	(1,081,724)	(937,324)	(1,051,582)		(-30,142)
Appropriation	1,056,695	915,000	1,018,338		-38,357
CCC Export Loans Program Account (administrative expenses):					
Salaries and expenses (Export Loans):					
General Sales Manager (transfer to FAS)	3,231	3,413	3,413		+182
Farm Service Agency (transfer to FSA)	589	672	672		+83
Total, CCC Export Loans Program Account	3,820	4,085	4,085		+265
Total, title V, Foreign Assistance and Related Programs					
(By transfer)	1,196,718	1,056,853	1,160,191		-36,527
	(4,266)	(4,506)	(4,506)		(+240)
					+103,338

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1999
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2000—Continued**
(Amounts in thousands)

	FY 1999 Enacted	FY 2000 Request	Bill	Bill vs. Enacted	Bill vs. Request
TITLE VI - FOOD AND DRUG ADMINISTRATION AND RELATED AGENCIES					
DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Food and Drug Administration					
Salaries and expenses, direct appropriation	970,867	1,109,950	1,072,950	+102,083	-37,000
Prescription drug user fee act	(132,273)	(145,434)	(145,434)	(+13,161)	
Subtotal	1,103,140	1,255,384	1,218,384	+115,244	-37,000
Mammography clinics user fee (outlay savings)	(14,385)	(14,817)	(14,817)	(+432)	
Payments to GSA	(82,866)	(100,180)	(100,180)	(+17,314)	
Buildings and facilities	11,350	31,750	31,750	+20,400	
Total, Food and Drug Administration	982,217	1,141,700	1,104,700	+122,483	-37,000
DEPARTMENT OF THE TREASURY					
Financial Management Service: Payments to the Farm Credit System Financial Assistance Corporation	2,565			-2,565	
INDEPENDENT AGENCIES					
Commodity Futures Trading Commission	61,000	67,655	65,000	+4,000	-2,655
Y2K conversion (emergency appropriations)	356			-356	

ADDITIONAL VIEWS

A series of economic disasters are taking place throughout farm country. At some point—and better sooner than later—Congress must come to grips with this crisis and fashion appropriate remedies. While this bill makes a reasonable effort to apportion the scarce resources available to the Agriculture Subcommittee, it makes little contribution to addressing the extraordinary situation facing rural America.

In saying this, we mean no criticism of Chairman Skeen or our colleagues on the Agriculture Subcommittee. On the contrary, the Chairman and the subcommittee were faced with the difficult task of allocating a very restricted sum of money, and in our view did as well as could be done under the circumstances. While each of us might have made different decisions regarding various details, on balance the bill seems a reasonable effort to stretch a limited sum of money as far as possible. Chairman Skeen approached this task in a spirit of good will and cooperation, and deserves commendation for his efforts. But none of this changes the reality that the bill simply does not do enough to address the depression-level prices prevailing in many sectors of the farm economy.

The breakdown of rational budgeting in Congress

The Agriculture Subcommittee's dilemma reflects the near-complete breakdown of rational budgeting in Congress. For whatever reason, elements in the Majority secured the adoption of a congressional budget resolution which calls for total domestic appropriations to be cut roughly 10 percent below the current year's level and 13.5 percent below what CBO estimates is necessary to maintain current services. Some apparently find this goal appealing in the abstract. However, implementing this goal through actual appropriations bills would produce cuts in government services that we believe would be opposed by a majority in Congress as well as a majority of the American public.

Faced with this situation not of his making, the Chairman of the Appropriations Committee has come up with a temporary solution to get the appropriations process moving. He proposed—and the committee adopted—"302(b)" allocations that put resources into a handful of domestic appropriations bills believed sufficient to allow them to move forward. The Agriculture bill is in this group. However, this temporary solution leaves a number of other domestic appropriations bills with allocations that would require large cuts below the current year's level. Few believe that these other bills will even be taken up in the House under these draconian allocations. The hope seems to be that something will turn up later to resolve the impasse—perhaps some end-of-season negotiation surrounding another huge omnibus appropriations bill, perhaps some sudden discovery of additional resources, or perhaps widespread

use of emergency exceptions, budgetary gimmicks, and timing shifts.

Many friends of rural America have asked whether the Agriculture appropriations bill is better off moving ahead now or waiting for whatever future solution is used to pass the domestic appropriations bills that have received grossly insufficient allocations. There seems no clear answer to that question. Where this process is headed is impossible to predict. But the fact that these questions are even being asked is a sad commentary on the breakdown of budgeting in the House of Representatives.

The crisis in rural America

We must consider this bill in the context of the crisis facing American farm families. While the U.S. economy is enjoying near-record prosperity, this wealth is not flowing to every community. It is barely trickling into our farmers' pockets.

Farmers continue to experience significant declines in agricultural commodity prices that began more than a year ago. The price declines experienced by wheat and cattle producers during the last couple of years have expanded to the feed grains, oilseed, cotton, pork, and now the dairy sectors. In some instances, prices are lower than during the late 1940s. Coupled with that is the increasing cost of production and farm equipment. As a result, total farm debt is estimated to be \$170 billion at the end of 1998, up 3 percent, on top of a 6 percent increase the year before.

Farm land values began declining in a number of Midwestern states during the last half of 1998. The drop in income, coupled with declining asset values for many producers, means many will have difficulty obtaining credit. Those who do obtain credit will use it for cash expenses rather than investment, and will find themselves squeezed as they try to repay debt out of current income.

Many producers who struggled with cash flow in 1998 resulting from low prices and adverse weather will likely see their problems worsen in 1999. USDA predicts the greatest strain in 1999 will be on field crops. For the 1998 wheat, corn, soybean, upland cotton, and rice crops, net income will be 17 percent below the previous five-year average, and for 1999 crops current projections show income 27 percent below the previous five-year average. While the equity level of farmers is relatively high, farm lenders report that farmers are depleting equity at a faster rate than earlier in the decade. And unlike the 1980s, many are opting out of farming rather than taking on more debt to weather the crisis.

Certainly, more must be done to keep the American family farmer from becoming an endangered species. The government cannot by itself solve this problem or ensure prosperity in rural America. But government can help, and has a responsibility to do so. We need to devise measures to help lift prices and sustain incomes. And we need policies to address some of the underlying causes of these problems, such as the disturbing increases in concentration in the agricultural industry—affecting both inputs and marketing opportunities.

The agricultural appropriations bill reported by our committee does a number of useful things, but it can hardly be considered

adequate in the context just described. When our farmers need a home run, this bill is at best a bunt to get on first base.

Funding levels in the bill

In terms of the overall level of discretionary appropriations, this bill is at most roughly even with FY 1999, and in some sense represents a sharp decline. Strictly speaking, the bill provides an increase totaling about \$250 million, or 1.8 percent, compared to regular FY 1999 appropriations. But that comparison ignores the numerous emergency supplemental appropriations made for farm programs in FY 1999.

When just the emergency appropriations for two on-going programs—farm credit and FSA salaries and expenses—are added to the FY 1999 total, the FY 2000 level in the bill represents an increase of just 0.2 percent. And when all emergency supplemental appropriations are counted in the FY 1999 total, the FY 2000 bill is about \$6.4 billion (31 percent) below FY 1999. Finally, the bill represents a cut of \$531 million (3.7 percent) below the Administration's request for FY 2000.

But the more important question is not how much the bill spends but rather what the bill does—and doesn't do. Without question, the bill has some good features. For example, it provides substantial increases for the Food and Drug Administration to help process requests for drug approvals and increase the safety of our food supply. It also includes increases for the Agriculture Department's Food Safety and Inspection Service. Further, the measure provides badly needed additional funds to some rural housing and rural development programs. It also contains some needed increases for agricultural research, pest and disease control through APHIS, and NRCS conservation operations, even though these increases may fall short of what many believe necessary.

Funding for farm programs

But on the minus side—and perhaps most significantly for farmers facing plunging prices—the bill makes no provision for continuing any of the emergency assistance provided in the FY 1999 Agriculture Appropriations Act or in the recently passed supplemental appropriations bill. For example, it doesn't continue the market loss payments enacted last Fall, the subsidy for crop insurance premiums, or the extra "section 32" funds for hog producers contained in the most recent supplemental. It also makes no provision for disaster loss payments or for the various disaster assistance programs funded in the two emergency packages. And it also contains no new initiatives to support farm incomes or remove surpluses from markets.

We are also concerned that in many areas the bill falls short of what is needed simply to continue many of the basic on-going programs of the Department of Agriculture.

For example, it reduces USDA farm loan and loan guarantee programs below the current year levels. These programs serve as lenders (and loan guarantors) of last resort in farm country. As commodity prices have fallen, bankers have been requiring more farmers to obtain USDA guarantees for their loans, and growing numbers of farmers have found it necessary to rely on the USDA direct

lending programs. During the first half of FY 1999, demand for these programs grew 65 percent compared to a year earlier.

While the bill provides the amount requested by the Administration for FY 2000, these amounts are well below the levels that have turned out to be necessary this year. For example, the bill provides for \$128 million in direct farm ownership loans in FY 2000, less than half of the FY 1999 level of \$286 million (including supplemental appropriations). It provides for just \$97 million in guaranteed farm operating loans with interest subsidies—less than one-fifth of the FY 1999 level of \$542 million. Unless there is a near-miraculous recovery in the farm economy, the bill's farm credit levels will be grossly inadequate in FY 2000.

If the bill were enacted with these levels, one or more emergency supplemental appropriations would almost certainly be needed to replenish the farm lending programs during FY 2000. Thus, once again farmers will be waiting for a supplemental appropriation to get the credit they need for spring planting. This year, Congress took almost three months to provide the necessary funds—during which time several key farm credit programs ran completely out of money. This bill sets the stage for a repetition of this unfortunate process next spring.

The same is true for Farm Service Agency staff—the workers who handle the paperwork for loan deficiency payments, disaster assistance, farm credit and similar programs. The levels in the bill would reduce county office staff by about 650 positions relative to this year. (The bill provides the Administration's request, but recent events have shown that request to be plainly inadequate.) Another year of large backlogs and months-long waits for farm payments seems to be in the making. This is not only unfair to farmers, it's also unfair to the very dedicated FSA staff members, many of whom have been working extraordinarily long hours in an effort to clear backlogs and deliver necessary services.

Further, the bill reduces funding for food aid programs. These programs provide the dual benefit of removing some surplus commodities from the U.S. market while at the same time helping those in need. Taking only regular appropriations into account, the basic "Food for Peace" donation programs (PL 480 titles II and III) would decline by \$25 million next year. When one also takes into account the special funding provided in FY 1999 for a Russian food aid program (more than \$800 million) and the supplemental appropriation of \$149 million (primarily for Kosovo refugees) just adopted, it becomes clear that total new funding for food aid will decline considerably in FY 2000—at the same time that commodity surpluses are driving down farm prices in the U.S.

We are also concerned about the level of funding for control of agricultural pests and diseases through the USDA's Animal and Plant Health Inspection Service (APHIS). The bill does provide some increases in this area, and that's good. However, the subcommittee was unable to bring funding for Agricultural Quarantine Inspection Services up to the level that the Administration believes necessary. This program is the essential first line of defense against introduction of pests and diseases from foreign countries. Some recent arrivals that slipped through our defenses—such as citrus canker and the Asian long-horned beetle—are now wreaking

havoc in some parts of the country. While it may not be humanly possible to detect and exclude each and every dangerous pest and disease, we need to be sure that APHIS has the resources it needs to do the very best job it can.

Funding for nutrition programs

The agriculture bill is also designed to address important needs that extend well beyond farm country. In particular, the bill funds a number of nutrition programs, which help low-income children, pregnant women, and senior citizens obtain adequate and nutritious foods—while also helping to increase demand for the products of American agriculture.

The largest of the appropriated nutrition programs is the Special Supplemental Food Program for Women, Infants and Children—popularly known as “WIC”. This program enjoys widespread support—in part because it is recognized to be an excellent investment in health. Each dollar spent on WIC is estimated to yield more than three dollars in savings to the government through reduced spending on programs such as Medicaid. The bill does increase funding for WIC a bit, and we applaud that increase. However, it rejects the President’s proposal to increase the number of participants to 7.5 million (out of an estimated 8.5 million people potentially eligible). It also appears to fall \$25 to \$45 million short of the amount needed just to maintain the WIC program at roughly 7.4 million participants next year.

The bill also rejects the Administration’s request for a \$10 million increase for nutrition programs for the elderly, which would have provided the first increase in per-meal subsidy in a number of years. It also fails to fund the recently authorized school breakfast pilot program, which is designed to provide a rigorous evaluation of the educational and nutritional benefits of making school breakfasts available to all students in a school. Finally, it denies any of the increase requested by the President for federal administration of the food and nutrition programs (including Food Stamps and Child Nutrition as well as WIC and other programs). These increases were requested in part to strengthen program and financial integrity and better prevent fraud and abuse.

Funding for conservation programs

The bill also falls short in funding for important conservation programs. Several farm conservation programs that actually receive their funding on a direct spending basis through authorizing legislation are once again subject to limitations in this appropriations bill. These limitations hold spending below currently authorized levels. The only real purpose of the limitations is to produce offsetting savings to help fit the appropriations bill within a very tight budget allocation. Among other things, these limitations—

- limit new enrollments in the Wetlands Reserve Program to 120,000 acres in FY 2000 (rather than the 199,286 acres funded in authorizing law);

- limit funding for the Environmental Quality Incentives Program (EQIP) to \$174 million in FY 2000 (rather than the \$200 million provided for in authorizing law); and

prohibit any spending on the Conservation Farm Option program in FY 2000 (authorizing law provides \$35 million).

The bill also appropriates none of the funding requested by the President for the Farmland Protection Program, which provides matching funds to states to acquire conservation easements on farm lands. Finally, it provides about \$26 million less than requested by the President for the basic Conservation Operations account at the Natural Resources Conservation Service.

Conclusion

In summary, Chairman Skeen and the subcommittee have certainly tried to do the best that could be done with the hand that was dealt. Unfortunately, however, the bill falls short of what is needed to seriously address the urgent problems facing farm families and rural America in general. It is certainly true that the appropriations process cannot provide a comprehensive legislative solution to farm problems. Action by the authorizing committees and others is essential. However, under different circumstances the Agriculture appropriations bill could have made a greater contribution to the process. And one thing is absolutely clear: no matter what forum or legislative vehicle is chosen, it is essential that Congress seriously begin work on a response to the crisis in farm country, and do so quickly as possible.

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