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AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG
ADMINISTRATION, AND RELATED AGENCIES APPROPRIA-
TIONS BILL, 2004

—————
JULY 17, 2003.—Ordered to be printed
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Mr. BENNETT, from the Committee on Appropriations,
submitted the following

REPORT

[To accompany S. 1427]

The Committee on Appropriations reports the bill (S. 1427) mak-
ing appropriations for Agriculture, Rural Development, Food and
Drug Administration, and Related Agencies programs for the fiscal
year ending September 30, 2004, and for other purposes, reports fa-
vorably thereon and recommends that the bill do pass.

Total obligational authority, fiscal year 2004

Amount of bill as reported to the Senate	\$77,403,914,000
Amount of 2003 appropriations acts to date	74,724,290,000
Amount of estimates, 2004	77,561,060,000
The bill as recommended to the Senate:	
Over the appropriations provided in 2003	2,679,624,000
Under the estimates for 2004	157,146,000

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BREAKDOWN BY TITLE

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

	2003 ¹	2004 Committee recommendation
Title I: Agricultural programs	\$25,458,395,000	\$26,776,681,000
Title II: Conservation programs	1,021,263,000	973,201,000
Title III: Rural economic and community development programs	2,777,020,000	2,587,826,000
Title IV: Domestic food programs	41,890,607,000	44,088,309,000
Title V: Foreign assistance and related programs	1,836,791,000	1,486,821,000
Title VI: Related agencies	1,466,505,000	1,482,596,000
Title VII: General provisions	273,709,000	8,480,000
Total, new budget (obligational) authority	74,724,290,000	77,403,914,000

¹ Includes emergency wartime supplemental appropriations.

OVERVIEW AND SUMMARY OF THE BILL

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

The bill also provides funding for the Food and Drug Administration [FDA] and the Commodity Futures Trading Commission [CFTC], and allows the use of collected fees for administrative expenses of the Farm Credit Administration [FCA].

Given the budgetary constraints that the Committee faces, the bill as reported provides the proper amount of emphasis on agricultural and rural development programs and on other programs and activities funded by the bill. It is within the subcommittee's allocation for fiscal year 2004.

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

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

GOVERNMENT PERFORMANCE AND RESULTS ACT

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

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

FEDERAL EMPLOYEES COMPENSATION ACT [FECA]

The President's budget includes a legislative proposal to allow the Department of Labor [DOL] to charge agencies for administrative costs related to FECA benefits paid to employees. Currently, although DOL bills agencies for FECA benefits, it does not bill agencies for the costs of administering these benefits.

The President's budget includes the administrative costs in each agency's budget, as opposed to the DOL budget, where the funds have previously been appropriated. The Committee's recommendation, however, assumes that this proposal will not be enacted into law, and excludes these administrative costs.

DISPLAY OF FISCAL YEAR 2003 SPENDING LEVELS

Section 601 of Division O of Public Law 108-7, the Consolidated Appropriations Resolution, 2003, imposed, with few exceptions, a rescission of 0.65 percent of the budget authority provided (or obligation limitation imposed) for all discretionary accounts in Divisions A through K of that joint resolution. Division A of Public Law 108-7 provided appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 2003.

The 0.65 percent rescission applied to all discretionary accounts of Division A with the exception of the Special Supplemental Nutrition Program for Women, Infants, and Children [WIC], and for levels of budget authority provided through the collection of user fees. Accordingly, all fiscal year 2003 spending levels displayed in this report for which the 0.65 percent rescission did apply reflect the 0.65 percent rescission. Further adjustments to fiscal year 2003 levels are detailed by footnotes where applicable.

In addition, pursuant to the Homeland Security Act of 2002 (Public Law 107-296), the President's budget proposes the transfer of certain USDA and FDA resources to the Department of Homeland Security in fiscal year 2003. These proposed transfers are listed in the table below:

USDA:	
Animal and Plant Health Inspection Service:	
Salaries and Expenses:	
Agricultural Quarantine Inspection—Appropriated	\$31,472,000
Agricultural Quarantine Inspection—User Fees	178,647,000
Plum Island—Operations Support	4,305,000
Plum Island—Diagnostics performed by USDA	2,252,000
Total, APHIS	216,676,000
Agricultural Research Service:	
Salaries and Expenses:	
Plum Island—Operations Support	5,363,000
Plum Island—Research performed by USDA	3,785,000
Total, ARS	9,148,000
Staff Offices:	
Office of the Secretary/Executive Operations	70,000
Departmental Administration	219,000
Agriculture Buildings and Facilities	8,624,000
Office of Communications	50,000
Office of the Chief Financial Officer	40,000

Office of the Chief Information Officer	159,000
Office of General Counsel	89,000
Office of the Inspector General	199,000
Office of Budget and Program Analysis	40,000
Total, Staff Offices	9,490,000
Total, USDA Transfers to DHS	235,314,000
FDA:	
Salaries and Expenses	583,000
Total Transfers to DHS	235,897,000

Displays in this report of the fiscal year 2003 funding levels for these activities have been reduced to provide an accurate presentation of USDA and FDA activities during fiscal year 2003 in comparison to those proposed by the President for fiscal year 2004.

Further adjustments to the fiscal year 2003 levels are detailed by footnotes where applicable.

USER FEE LEGISLATIVE PROPOSALS

The fiscal year 2004 budget request includes legislative proposals to authorize the collection and expenditure of user fees for a number of agencies under the jurisdiction of this subcommittee. These agencies include: the Animal and Plant Health Inspection Service; the Grain Inspection, Packers and Stockyards Administration; the Food Safety and Inspection Service; and the Food and Drug Administration. Assumed fiscal year 2004 revenues from these fees total \$164,000,000, of which only \$5,000,000 would have no effect on current services. The fiscal year 2004 budget assumes the collection and expenditure of these fees, and therefore reduces the fiscal year 2004 spending for this subcommittee by an additional \$159,000,000 from current levels.

Jurisdiction for the authorization of these fees in the Senate lies with the Committee on Agriculture, Nutrition, and Forestry, and the Committee on Health, Education, Labor, and Pensions, not the Committee on Appropriations. Further, the U.S. Constitution requires that all revenue measures originate in the House of Representatives and to the extent that these proposals are held to be revenue measures (for which similar proposals in the past have), unilateral action by the Senate in this matter risks violation of Constitutional principles.

This Committee again admonishes the administration for including in an annual budget request to the Appropriations Committee legislative proposals for which this Committee has no jurisdiction, proposals which have budgetary implications, and which raise possible Constitutional points of order. The Committee notes that similar proposals by this and past administrations have not met approval by the authorizing committees and there is no evidence to indicate that these proposals will meet with any greater success.

The Committee included a General Provision (Section 723) in the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2003 (Division A of Public Law 108-7) which requires the President to identify reductions from his fiscal year 2004 budget submission in the event the authorization of the proposed fees has not been enacted prior to the

convening of a committee on conference for the fiscal year 2004 appropriations act. Notwithstanding the delayed enactment of Public Law 108-7, the Committee expects compliance with Section 723, and urges the administration identify these reductions as soon as possible.

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

Appropriations, 2003	\$3,368,000
Budget estimate, 2004	10,068,000
Committee recommendation	10,046,000

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

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

COMMITTEE RECOMMENDATIONS

For the Office of the Secretary, the Committee recommends an appropriation of \$10,046,000. The Committee includes \$6,604,000 for cross-cutting trade negotiations and biotechnology resources. This amount is \$6,678,000 more than the fiscal year 2003 appropriation.

Drought Mitigation.—The Committee is concerned by the lack of a coherent national policy to combat drought. When drought strikes, it is a very serious disaster bringing economic and personal hardships to large sections of the nation. Long term drought conditions in the Intermountain West, as one example, have resulted in water supplies for agriculture falling below 50 percent of normal supply. The report of the National Drought Commission, “Preparing for Drought in the 21st Century”, recommends that Congress pass a National Drought Preparedness Act. Such an act would establish a Federal/non-Federal partnership through a National Drought Council responsible for implementing a national drought policy. The Committee expects the Secretary to carry out the recommendations of the National Drought Commission and coordinate USDA mission areas to provide a response to drought-stricken areas in as prompt and meaningful a way as possible.

Administrative Convergence.—The Secretary is expected to seek the Committee’s approval before implementing a merger or reduction of any administrative or information technology functions re-

lating to the Farm Service Agency, Natural Resources Conservation Service, USDA Rural Development, or any other agency of the Department.

Federal Procurement of Biobased Products.—The Secretary, after consultation with the Administrator of Environmental Protection, the Administrator of General Services, and Secretary of Commerce (acting through the Director of the National Institute of Standards and Technology) shall prepare and from time to time revise guidelines for the use of procuring agencies in complying with the requirements of Public Law 107–171, section 9002. The Secretary shall also work to carry out all other requirements of section 9002.

Helena, Arkansas Training Center.—In the fiscal year 2003 Senate report, printed in the January 15, 2003 Congressional Record, pages S356–S410, the Secretary was requested to investigate and report to this Committee on an opportunity to utilize property in Helena, Arkansas, for USDA training activities and other Department-wide functions. The Committee has not received such a report, but expects full compliance with congressional directives. The Secretary is requested to proceed with an investigation into use of this property for USDA functions and to prepare a feasibility report which will include costs and savings to the Department for utilization of this facility. The Committee expects a preliminary report by December 1, 2003 and a full report on this subject no later than March 1, 2004.

Chesapeake Bay Watershed.—Section 2003 of the Farm Security and Rural Investment Act of 2002 provides the Secretary direction in the allocation of certain conservation resources in the area of partnerships and cooperation with non-Federal entities to help meet environmental objectives. Legislative history clearly shows a need for attention in connection with the Chesapeake Bay. In the context of this authority, the Committee is aware of interests by governors, mayors, and other non-Federal officials in seeking USDA assistance through Section 2003 in support of the Chesapeake Bay Working Lands Nutrient Reduction Pilot Program, for which an application has been submitted to the Department. The Committee urges the Secretary to take action on this application and report to the Committee on the means by which USDA will utilize the authorities of section 2003 toward improved conservation of the Chesapeake Bay.

Homeland Security.—The President's budget includes a number of requests for increases related to homeland security. The Committee notes that as of the preparation of this report \$54,000,000 remains available from previous appropriations specifically for homeland security needs, of which \$19,000,000 is available to the Secretary. The Committee believes these resources, in addition to funds provided in this Act, will be sufficient for these needs.

Animal Health and Food Safety.—The Committee supports the development of the Collaboration in Animal Health, Food Safety and Epidemiology [CAHFSE]. This collaboration represents a high level of coordination among the Agricultural Research Service, Food Safety and Inspection Service, and the Animal and Plant Health Inspection Service to develop a comprehensive effort to address animal health and food safety issues, including those attributable to antimicrobial resistant bacterial pathogens. It is expected

that this collaboration will yield information regarding the use of antibiotics in animal agriculture, the development of resistance patterns, and interventions to reduce the development and potential transfer of resistance. The effort also will further enable USDA to identify and track emerging diseases, whether natural or intentionally introduced, and implement mitigation strategies. The Committee encourages the Department to propose adequate funding levels for the future growth and success of this program.

Plum Island Research and Diagnostic Activities.—The President's fiscal year 2004 budget includes continuing transfers for certain USDA activities to the Department of Homeland Security [DHS], including \$2,135,000 from APHIS for diagnostic activities and \$5,668,000 from ARS for research. The Committee is concerned that this transfer of funding may result in a shift in focus away from agriculture, and fully expects the Secretary of Agriculture to seek assurances from the Secretary of Homeland Security that these diagnostic and research activities will firmly remain tied to agricultural interests.

Alternative Fuels.—The continuing development of bio-based energy products, such as E-85 capable vehicle technologies, provides economic and environmental opportunities for producers of agricultural products and consumers. The Secretary should use resources of the Department toward educational and infrastructure promotion to expand the availability of these products in Minnesota and other States.

Geographically Disadvantaged Farmers and Ranchers.—The Committee notes that the Farm Security and Rural Investment Act of 2002 (Public Law 107-171) included a provision mandating that the Department of Agriculture submit a report on geographically disadvantaged farmers and ranchers. The Committee is aware that the Department has failed to submit the report within 1 year of the date of enactment. Given the significant transportation barriers which currently exist and the necessity for ensuring that geographically disadvantaged farmers and ranchers can fully participate in agricultural programs, the Department shall submit their report no later than January 15, 2004.

Renewable Energy.—The Committee commends the Secretary for the Department's efforts in support of biofuels and renewable energy programs. However, the Committee is concerned that while the Department is involved with research and development, marketing activities, and financial assistance for the production of these energy sources, the efforts appear to lack effective coordination across individual agency lines. The Committee urges the Secretary to establish an integrated program from farm gate to fuel pump to maximize producers' ability to take advantage of this renewable and sustainable energy industry, and to identify an individual responsible for the coordination and evaluation of these activities.

Economic Losses.—The Committee encourages the Secretary to utilize the authorities and resources of the Commodity Credit Corporation to provide assistance to compensate United States entities that export United States beef to be processed in Canada for re-importation to the United States that suffered economic losses as a direct result of the BSE-related border closing between the United

States and Canada. The Committee is aware of the need to compensate an entity for such losses in Minnesota.

EXECUTIVE OPERATIONS

Executive operations were established as a result of the reorganization of the Department to provide a support team for USDA policy officials and selected Departmentwide services. Activities under the executive operations include the Office of the Chief Economist, the National Appeals Division, the Office of Budget and Program Analysis, and the Homeland Security Staff.

CHIEF ECONOMIST

Appropriations, 2003	\$8,510,000
Budget estimate, 2004	12,264,000
Committee recommendation	8,707,000

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

COMMITTEE RECOMMENDATIONS

For the Office of the Chief Economist, the Committee recommends \$8,707,000. This amount is \$197,000 more than the fiscal year 2003 appropriation.

NATIONAL APPEALS DIVISION

Appropriations, 2003	\$13,670,000
Budget estimate, 2004	14,242,000
Committee recommendation	13,997,000

The National Appeals Division conducts administrative hearings and reviews of 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 RECOMMENDATIONS

For the National Appeals Division, the Committee recommends \$13,997,000. This amount is \$327,000 more than the fiscal year 2003 appropriation.

OFFICE OF BUDGET AND PROGRAM ANALYSIS

Appropriations, 2003	\$7,270,000
Budget estimate, 2004	7,980,000
Committee recommendation	7,544,000

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

ternatives, and prepares summaries of pertinent data to aid the Secretary and departmental policy officials and agency program managers in the decisionmaking 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 departmentwide coordination of the preparation and processing of regulations and legislative programs and reports.

COMMITTEE RECOMMENDATIONS

For the Office of Budget and Program Analysis, the Committee recommends \$7,544,000. This amount is \$274,000 more than the fiscal year 2003 appropriation.

HOMELAND SECURITY STAFF

Appropriations, 2003 ¹	
Budget estimate, 2004	\$1,479,000
Committee recommendation	910,000

¹\$2,643,000 was provided by the homeland security supplemental, Public Law 107-117, under the Office of the Secretary for this activity.

The Homeland Security Staff formulates emergency preparedness policies and objectives for the Department of Agriculture [USDA]. The Staff directs and coordinates all of the Department's program activities that support USDA emergency programs and liaison functions with the Congress, the Department of Homeland Security, and other Federal departments and agencies involving homeland security, natural disasters, other emergencies, and agriculture-related international civil emergency planning and related activities.

COMMITTEE RECOMMENDATIONS

For the Homeland Security Staff, the Committee recommends \$910,000. This activity was funded in fiscal year 2003 under the Office of the Secretary. This appropriation will provide adequate funding to maintain these activities in fiscal year 2004.

OFFICE OF THE CHIEF INFORMATION OFFICER

Appropriations, 2003	\$14,993,000
Budget estimate, 2004	31,334,000
Committee recommendation	15,710,000

The Office of the Chief Information Officer was established in August 1996, pursuant to the Clinger-Cohen Act of 1996, which required the establishment of a Chief Information Officer for major Federal agencies. This office provides policy guidance, leadership, coordination, and direction to the Department's information management and information technology investment activities in support of USDA program delivery, and is the lead office in USDA e-gov efforts. The Office provides long-range planning guidance, implements measures to ensure that technology investments are economical and effective, coordinates interagency information resources management projects, and implements standards to promote information exchange and technical interoperability. In addition, the Office of the Chief Information Officer is responsible for

certain activities financed under the Department's working capital fund (7 U.S.C. 2235). The Office also provides telecommunication and automated data processing [ADP] services to USDA agencies through the National Information Technology Center with locations in Fort Collins, CO, and Kansas City, MO. Direct ADP operational services are also provided to the Office of the General Counsel, Office of Communications, the Office of the Chief Financial Officer, and Executive Operations.

COMMITTEE RECOMMENDATIONS

The Committee recommends \$15,710,000 for the Office of the Chief Information Officer. This amount is \$717,000 more than the fiscal year 2003 appropriation. This amount does not include an increase of \$2,000 for FECA administrative charges, as requested in the budget.

The Committee has included \$500,000 for the Chief Information Officer to study the feasibility of utilizing a non-Federal entity to provide electronic storage of data related to USDA food safety programs and using the facility for food safety information management.

COMMON COMPUTING ENVIRONMENT

Appropriations, 2003	\$132,289,000
Budget estimate, 2004	177,714,000
Committee recommendation	119,289,000

The Department of Agriculture Reorganization Act of 1994 requires the Secretary of Agriculture to procure and use computer systems in a manner that enhances efficiency, productivity, and client services, and that promotes computer information sharing among agencies of the Department. The Clinger-Cohen Act of 1996 requires USDA to maximize the value of information technology acquisitions to improve the efficiency and effectiveness of USDA programs. Since its beginning in 1996, the USDA Service Center Modernization initiative has been working to restructure county field offices, modernize and integrate business approaches and replace the current, aging information systems with a modern Common Computing Environment that optimizes information sharing, customer service, and staff efficiencies.

COMMITTEE RECOMMENDATIONS

The Committee recommends \$119,289,000 for the Common Computing Environment. This amount is \$13,000,000 less than the fiscal year 2003 appropriation.

OFFICE OF THE CHIEF FINANCIAL OFFICER

Appropriations, 2003	\$5,496,000
Budget estimate, 2004	7,902,000
Committee recommendation	5,496,000

The Office of the Chief Financial Officer is responsible for the dual roles of chief financial management policy officer and chief financial management advisor to the Secretary and mission area heads. The Office provides leadership for all financial management, accounting, travel, Federal assistance, and performance measure-

ment activities within the Department. The Office is also responsible for the management and operation of the National Finance Center and the Departmental Working Capital Fund. In addition, the Office provides budget, accounting, and fiscal services to the Office of the Secretary, Departmental staff offices, Office of the Chief Information Officer, Office of Communications, and executive operations.

COMMITTEE RECOMMENDATIONS

For the Office of the Chief Financial Officer, the Committee recommends \$5,496,000. This amount is the same as the fiscal year 2003 appropriation. This amount does not include an increase of \$41,000 for FECA administrative charges, as requested in the budget.

Financial Management.—The Committee was pleased to learn that for the first time the Department of Agriculture received a clean audit in fiscal year 2002. This is a major accomplishment. The Committee wishes to express support for the effort necessary to reach this milestone, and encourages the Department to continue to make financial management a priority.

National Finance Center.—The Committee supports the President’s e-government initiative goals to improve the performance and reduce the cost of Federal Government administration by using commercially available e-business best practices for functions that are not inherently governmental. The ongoing e-payroll/Human Resources [HR] consolidation and integration of HR and payroll systems across the government provides a prime example of how e-government can improve service and efficiency that will create several hundred million dollars of savings to Federal organizations.

The Committee has been informed that the Department of Agriculture’s National Finance Center [NFC] proposal for e-payroll consolidation was rated the highest in the internal competition held by the Office of Management and Budget [OMB] and the Office of Personnel Management [OPM]. The Committee recognizes that the payroll consolidation will require significant capital investment for information technology and infrastructure required to provide the new consolidated e-payroll function. The Committee believes that the NFC’s demonstrated ability to provide a high level of service while operating on a fee-for-service basis similar to commercial industry provides a significant opportunity to utilize a public/private partnership to provide private sector investment and shared risk in the modernization of systems and infrastructure creation for e-payroll at the NFC. The Committee encourages the Department of Agriculture to work with OMB and OPM to investigate the feasibility of creating a public/private partnership to help leverage scarce Federal resources to continue the modernization and development of Federal Government-wide e-payroll functions.

WORKING CAPITAL FUND

Appropriations, 2003	\$11,922,000
Budget estimate, 2004 .....	.....
Committee recommendation .....	.....

The Working Capital Fund was established in the 1944 Appropriations Act. It was created for certain central services in the Department of Agriculture, including duplicating and other visual information services, art and graphics, video services, supply, centralized accounting system, centralized automated data processing system for payroll, personnel, and related services, voucher payments services, and ADP systems. The National Finance Center's expenses are also funded through this fund.

COMMITTEE RECOMMENDATIONS

The President's budget does not request and the Committee does not provide an appropriation to the Working Capital Fund.

The Committee again includes a General Provision (Section 704) which provides authority for the Secretary to transfer unobligated balances of the Department of Agriculture to the Working Capital Fund. This authority should be sufficient to meet fiscal year 2004 needs.

OFFICE OF THE ASSISTANT SECRETARY FOR CIVIL RIGHTS

Appropriations, 2003	\$397,000
Budget Estimate, 2004	808,000
Committee recommendation	794,000

The Office of the Assistant Secretary for Civil Rights, established by Section 10704 of the Farm Security and Rural Investment Act of 2002, provides oversight of civil rights and related functions. This includes coordination of the administration of civil rights laws and regulations for employees of the Department of Agriculture and participants in programs of the Department, and ensuring compliance with civil rights laws.

COMMITTEE RECOMMENDATIONS

For the Office of the Assistant Secretary for Civil Rights, the Committee recommends an appropriation of \$794,000. This amount is \$397,000 more than the fiscal year 2003 appropriation.

OFFICE OF CIVIL RIGHTS

Appropriations, 2003 ¹	\$15,090,000
Budget estimate, 2004 ¹	17,550,000
Committee recommendation	15,445,000

¹Included in the Departmental Administration account.

The Office of Civil Rights provides overall leadership responsibility for all Department-wide civil rights activities. These activities include employment opportunity as well as program non-discrimination policy development, analysis, coordination, and compliance. The Office is responsible for providing leadership in facilitating the fair and equitable treatment of Department of Agriculture [USDA] employees, and for monitoring program activities to ensure that all USDA programs are delivered in a non-discriminatory manner. The Office's outreach functions provide leadership, coordination, facilitation, and expertise to internal and external partners to ensure equal and timely access to USDA programs for all constituents, with emphasis on the underserved, through information sharing, technical assistance, and training.

COMMITTEE RECOMMENDATION

For the Office of Civil Rights, the Committee recommends an appropriation of \$15,445,000. This amount is \$355,000 more than fiscal year 2003, which was included within the Departmental Administration account. This amount includes \$405,000 for pay costs.

This appropriation is provided separately from that of Departmental Administration to reflect the reorganization of the civil rights functions in the Department of Agriculture. Pursuant to the Farm Security and Rural Investment Act of 2002, USDA has established the position of the Assistant Secretary for Civil Rights, and has realigned the Office of Civil Rights from Departmental Administration.

OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION

Appropriations, 2003	\$656,000
Budget estimate, 2004	793,000
Committee recommendation	673,000

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

COMMITTEE RECOMMENDATIONS

For the Office of the Assistant Secretary for Administration, the Committee recommends \$673,000. This amount is \$17,000 more than the fiscal year 2003 appropriation.

AGRICULTURE BUILDINGS AND FACILITIES AND RENTAL PAYMENTS

Appropriations, 2003	\$186,878,000
Budget estimate, 2004	199,332,000
Committee recommendation	188,022,000

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

The requirement that GSA charge commercial rent rates to agencies occupying GSA-controlled space was established by the Public Buildings Amendments of 1972. The methods used to establish commercial rent rates in GSA space follow commercial real estate appraisal practices. Appeal and rate review procedures are in place to assure that agencies have an opportunity to contest rates they feel are incorrect.

Building Operations and Maintenance.—On October 1, 1984, the General Services Administration [GSA] delegated the operations and maintenance function for the buildings in the D.C. complex to the Department. This activity provides departmental staff and support services to operate, maintain, and repair the buildings in the

D.C. complex. GSA expanded the delegation to include two additional buildings on October 1, 1986. One building is the Government-owned warehouse for forms in Lanham, MD, and the other is a leased warehouse for the excess property operation located at 49 L Street SW, Washington, DC. GSA retains responsibility for major nonrecurring repairs. In fiscal year 1999, USDA began operations and maintenance 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, DC, and in leased buildings in the Metropolitan Washington, DC, 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, DC. To implement this goal, a strategy for efficient reallocation of space to house the restructured headquarters agencies in modern and safe facilities has been proposed. This USDA strategic space plan will correct serious problems USDA has faced in its facility program, including the inefficiencies of operating out of scattered leased facilities and serious safety hazards which exist in the Agriculture South Building.

During fiscal year 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. In fiscal year 1999, USDA began operations at the Beltsville Office Facility.

COMMITTEE RECOMMENDATIONS

For U.S. Department of Agriculture buildings and facilities and payments for the rental of space and related services, the Committee recommends \$188,022,000. This amount is \$1,144,000 more than the fiscal year 2003 appropriation.

The following table reflects the Committee’s specific recommendations for this account as compared to the fiscal year 2003 and budget request levels:

[In thousands of dollars]

	2003 enacted	2004 budget request	Committee recommendation
Rental Payments	120,795	123,910	123,910
Building Operations	32,327	41,445	32,559
Strategic Space Plan	33,756	33,977	31,553
Total	186,878	199,332	188,022

HAZARDOUS MATERIALS MANAGEMENT

Appropriations, 2003	\$15,583,000
Budget estimate, 2004	15,713,000
Committee recommendation	15,611,000

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 mate-

rials as private businesses. The Department is required to contain, clean up, monitor, and inspect for hazardous materials in areas under the Department’s jurisdiction.

COMMITTEE RECOMMENDATIONS

The Committee recommends \$15,611,000 for hazardous materials management. This amount is \$28,000 more than the fiscal year 2003 appropriation.

DEPARTMENTAL ADMINISTRATION

Appropriations, 2003	\$37,628,000
Budget estimate, 2004	45,128,000
Committee recommendation	23,031,000

Departmental administration is comprised of activities that provide staff support to top policy officials and overall direction and coordination of administrative functions of the Department. These activities include departmentwide programs for human resource management, ethics, occupational safety and health management, real and personal property management, procurement, contracting, motor vehicle and aircraft management, supply management, civil rights and equal opportunity, participation of small and disadvantaged businesses and socially disadvantaged farmers and ranchers in the Department’s program activities, emergency preparedness, small and disadvantaged business utilization, and the regulatory hearing and administrative proceedings conducted by the Administrative Law Judges and Judicial Officer. Departmental administration also provides administrative support to the Board of Contract Appeals. Established as an independent entity within the Department, the Board adjudicates contract claims by and against the Department, and is funded as a reimbursable activity.

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

COMMITTEE RECOMMENDATIONS

For Departmental Administration, the Committee recommends an appropriation of \$23,031,000. This amount is \$14,597,000 less than the fiscal year 2003 appropriation. This amount does not include \$21,000 for FECA administrative charges, as requested in the budget.

Pursuant to the Farm Security and Rural Investment Act of 2002, USDA has established the position of the Assistant Secretary for Civil Rights, and has realigned the Office of Civil Rights from Departmental Administration. At the request of USDA, the Committee has created a new account, the Office of Civil Rights, to reflect this realignment which has resulted in a reduction in the Departmental Administration account.

OFFICE OF THE ASSISTANT SECRETARY FOR CONGRESSIONAL
RELATIONS

Appropriations, 2003	\$3,781,000
Budget estimate, 2004	4,186,000
Committee recommendation	3,825,000

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

COMMITTEE RECOMMENDATIONS

For the Office of the Assistant Secretary for Congressional Relations, the Committee recommends an appropriation of \$3,825,000. This amount is \$44,000 more than the fiscal year 2003 appropriation.

The Committee allows these funds to be transferred to support congressional relations' activities at the agency level. Within 30 days from the enactment of this Act, the Secretary shall notify the House and Senate Committees on Appropriations on the allocation of these funds by USDA agency, along with an explanation for the agency-by-agency distribution of the funds as well as the staff years funded by these transfers.

OFFICE OF COMMUNICATIONS

Appropriations, 2003	\$9,031,000
Budget estimate, 2004	10,084,000
Committee recommendation	9,228,000

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

COMMITTEE RECOMMENDATIONS

For the Office of Communications, the Committee recommends an appropriation of \$9,228,000. This amount is \$197,000 more than the fiscal year 2003 appropriation.

OFFICE OF THE INSPECTOR GENERAL

Appropriations, 2003	\$73,416,000
Budget estimate, 2004	81,895,000
Committee recommendation	75,781,000

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

The Office is administered by an inspector general who reports directly to the Secretary of Agriculture. Functions and responsibil-

ities 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, and analysis and coordination of program-related audit and investigation activities performed by other Department agencies.

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 RECOMMENDATIONS

For the Office of Inspector General, the Committee recommends an appropriation of \$75,781,000. This amount is \$2,365,000 more than the fiscal year 2003 appropriation. This amount does not include \$70,000 for FECA administrative charges, as requested in the budget. The Committee provides an increase of \$800,000 for OIG to address violations of the Animal Welfare Act and to coordinate with State and local law enforcement personnel in this effort.

OFFICE OF THE GENERAL COUNSEL

Appropriations, 2003	\$34,700,000
Budget estimate, 2004	37,328,000
Committee recommendation	35,343,000

The Office of the General Counsel provides all legal advice, counsel, and services to the Secretary and to all agencies, offices, and corporations of the Department. The Office represents the Department in administrative proceedings; non-litigation debt collection proceedings; State water rights adjudications; proceedings before the Environmental Protection Agency, Interstate Commerce Commission, Federal Maritime Administration, and International Trade Commission; and, in conjunction with the Department of Justice, in judicial proceedings and litigation.

COMMITTEE RECOMMENDATIONS

For the Office of the General Counsel, the Committee recommends an appropriation of \$35,343,000. This amount is \$643,000 more than the fiscal year 2003 appropriation. This amount does not include \$6,000 for FECA administrative charges, as requested in the budget.

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

Appropriations, 2003	\$580,000
Budget estimate, 2004	792,000
Committee recommendation	596,000

The Office of the Under Secretary for Research, Education, and Economics provides direction and coordination in carrying out the

laws enacted by the Congress for food and agricultural research, education, extension, and economic and statistical information. The Office has oversight and management responsibilities for the Agricultural Research Service; Cooperative State Research, Education, and Extension Service; Economic Research Service; and National Agricultural Statistics Service.

COMMITTEE RECOMMENDATIONS

For the Office of the Under Secretary for Research, Education, and Economics, the Committee recommends an appropriation of \$596,000. This amount is \$16,000 more than the fiscal year 2003 appropriation.

The Committee is aware of a new crop fiber, *Arundo donax*, that has the potential to replace hardwood fibers in many paper grades. The Committee has been apprised of a collaborative effort between Auburn University, Washington State University, the University of Washington and the pulp and paper industry in Washington and Alabama, to test the planting, producing, and harvesting of *Arundo* and to conduct tests to further improve the use of the fiber as a raw material for paper pulp. The Committee encourages the Department to support researching optimal growing techniques for *Arundo* in Eastern Washington and expand Auburn University's research from the test plot level to commercial sale. The Committee also encourages further tests to improve the paper manufacturing process. The Committee recognizes the economic potential of this crop to rural communities and understands that the research project will include a strong focus on demonstrating the economic viability of this new crop.

ECONOMIC RESEARCH SERVICE

Appropriations, 2003	\$68,674,000
Budget estimate, 2004	76,657,000
Committee recommendation	69,902,000

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

COMMITTEE RECOMMENDATIONS

For the Economic Research Service, the Committee recommends an appropriation of \$69,902,000. This amount is \$1,228,000 more than the fiscal year 2003 appropriation. This amount does not include \$11,000 for FECA administrative charges, as requested in the budget.

The Committee encourages ERS to conduct a study on value-added products for the wool and lamb industry to identify potential products to be marketed by sheep producers.

The Committee is aware of concerns regarding which USDA agency is best suited to oversee and carry out research related to food assistance programs within the Department. The Economic Research Service has particular capacities related to economic

analysis and modeling. The Food and Nutrition Service has long-standing expertise in programmatic operations of food assistance programs. Given their respective capacities and areas of expertise, research dollars at the Department of Agriculture are provided to both ERS and FNS. The Committee provides \$5,000,000, the same as the fiscal year 2003 level, for studies and evaluations under this account.

NATIONAL AGRICULTURAL STATISTICS SERVICE

Appropriations, 2003	\$138,448,000
Budget estimate, 2004	136,182,000
Committee recommendation	128,922,000

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

The Service is also responsible for administration of the Census of Agriculture, which was transferred from the Department of Commerce to the Department of Agriculture in fiscal year 1997 to consolidate agricultural statistics programs. The Census of Agriculture is taken every 5 years and provides comprehensive data on the agricultural economy including: data on the number of farms, land use, production expenses, farm product values, value of land and buildings, farm size and characteristics of farm operators, market value of agricultural production sold, acreage of major crops, inventory of livestock and poultry, and farm irrigation practices.

COMMITTEE RECOMMENDATIONS

For the National Agricultural Statistics Service, the Committee recommends an appropriation of \$128,922,000. This amount is \$9,526,000 less than the fiscal year 2003 appropriation. This amount does not include \$4,000 for FECA administrative charges, as requested in the budget. The Committee provides \$4,800,000 for Agricultural estimates, as requested. Also included in this amount is \$25,279,000 for the Census of Agriculture, as requested.

The Committee encourages NASS to conduct Monthly Hogs and Pigs Inventory reporting, and Barrow and Gilt Slaughter reporting.

AGRICULTURAL RESEARCH SERVICE

SALARIES AND EXPENSES

Appropriations, 2003	\$1,036,779,000
Budget estimate, 2004	987,303,000
Committee recommendation	1,045,533,000

The Agricultural Research Service [ARS] is responsible for conducting basic, applied, and developmental research on: soil, water, and air sciences; plant and animal productivity; commodity conver-

sion and delivery; human nutrition; and the integration of agricultural systems. The research applies to a wide range of goals; commodities; natural resources; fields of science; and geographic, climatic, and environmental conditions.

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

As the U.S. Department of Agriculture's in-house agricultural research unit, ARS has major responsibilities for conducting and leading the national agricultural research effort. It provides initiative and leadership in five areas: research on broad regional and national problems, research to support Federal action and regulatory agencies, expertise to meet national emergencies, research support for international programs, and scientific resources to the executive branch and Congress.

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

COMMITTEE RECOMMENDATIONS

For salaries and expenses of the Agricultural Research Service, the Committee recommends \$1,045,533,000. This is \$8,754,000 more than the 2003 level. This amount does not include \$244,000 for FECA administrative charges, as requested in the budget.

The Committee recommendation includes \$14,078,000 of the savings from project terminations proposed in the budget. These savings are to be redirected to those research areas for which increased funding is provided by the Committee. The Committee does not provide funding for contingencies.

For fiscal year 2004, the Committee recommends funding increases, as specified below, for new and ongoing research activities. The remaining increase in appropriations from the fiscal year 2004 level is to be applied to pay and related cost increases to prevent the further erosion of the agency's capacity to maintain a viable research program at all research locations.

The Committee expects the agency to give attention to the prompt implementation and allocation of funds provided for the purposes identified by Congress.

In complying with the Committee's directives, ARS is expected not to redirect support for programs from one State to another without prior notification to and approval by the House and Senate

Committees on Appropriations in accordance with the reprogramming procedures specified in this Act. Unless otherwise directed, the Agricultural Research Service shall implement appropriations by programs, projects, commodities, and activities as specified by the Appropriations Committees. Unspecified reductions necessary to carry out the provisions of this Act are to be implemented in accordance with the definitions contained in the “Program, project, and activity” section of this report.

The Committee has included statutory language to return to Colorado State University land which was conveyed to the Agricultural Research Service on February 1, 1966. This land is no longer being used by ARS.

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

Aerial Application Research.—Aerial application is a necessary crop protection tool in farming and permits large areas to be covered rapidly, thus ensuring timely and effective applications of large farming areas. The Committee continues the fiscal year 2003 funding level for expanded ARS aerial application research at the College Station, TX, research station.

Agricultural Genome Bioinformatics.—The Committee provides an increase of \$600,000 from the fiscal year 2003 level to continue work on the Bioinformatics Institute for Model Plant Species at the National Center for Genome Resources in New Mexico, as authorized in Section 227 of the Agriculture Risk Protection Act (Public Law 106–224).

Agricultural Law, Drake University.—The Committee provides an increase of \$20,000 from the fiscal year 2003 level for support of a national center focusing on State and local food and agricultural law and policy. Drake University in Des Moines, Iowa, is highly qualified to serve as the location of the center.

Air Quality Research.—Agricultural operations produce a variety of particulates and gases that influence air quality. Agriculture, through wind erosion, tillage and harvest operations, burning, diesel-powered machinery and animal operations, is a source of particulate matter that can cause pulmonary problems to humans. While extensive regulatory measures have severely impacted agricultural production efficiencies, continuing urban expansion into high production regions have exacerbated the need for producers to further modify effective production practices to reduce harmful emissions.

The Committee recognizes that expanded research is needed to quantify these emissions, determine emission factors, and to develop management practices for producers to address this problem. The Committee provides ARS an increase of \$1,000,000 over the fiscal year 2003 funding levels for collaborative research with Utah State University’s Space Dynamics Laboratory [SDL] to develop and evaluate sensors, protocols, and statistical procedures that accurately measure particulates and gaseous emissions from agriculture operations.

Alternative Crops and Value-Added Products.—The Committee is aware that alternative crops and value-added products provide potential opportunities to enhance profitability. Niche marketing of agriculture products displaying “identity-preserved” traits have re-

ceived premiums in the marketplace. The Committee continues the fiscal year 2003 level for alternative and value-added products.

Animal Vaccines.—The U.S. food animal economy continues to be threatened by infectious diseases that can devastate the cattle, swine, and poultry industries. Increased research to investigate the adverse impacts of diseases on cattle, swine, and poultry are critically needed to avoid potential economic disasters, such as the spread of food and mouth disease. The Committee continues funding at the fiscal year 2003 level for collaborative research between ARS and the Universities of Connecticut and Missouri to develop more effective animal vaccines.

Animal Waste Treatment.—The Committee understands the need for additional research to find new and economical treatments to eliminate animal wastes. The ARS research station at Florence, SC, is investigating alternative treatments and techniques to respond to this major problem in swine production. The Committee provides an increase of \$300,000 over fiscal year 2003 for this research.

Appalachian Fruit Research Station.—The Committee recognizes the importance of the fruit research program carried out at the Appalachian Fruit Research Station in Kearneysville, WV, and provides an increase of \$200,000 from the fiscal year 2003 level for essential staffing to support the station's ongoing research to identify new alternatives for chemical control of insects, and to develop disease-resistant trees.

Appalachian Horticulture Research.—Ornamental horticulture, floriculture and nursery crops, collectively constitute the third most important crop in the United States, surpassed only by corn and soybeans, with an average estimated value of more than \$11,000,000,000 a year. Tennessee has a vibrant nursery industry and a growing floriculture industry. The Committee provides an increase of \$500,000 over fiscal year 2003 for ARS collaborative research with the University of Tennessee and Tennessee State University, including efforts to develop resistant genes in dogwoods and other woody ornamentals, new tissue culture techniques, and techniques to enable rapid deployment of new cultivars for the marketplace.

Appalachian Pasture-Based Beef Systems.—The Committee is aware of the benefits to be derived from the pasture-raised beef research program currently underway at the ARS Appalachian Farming Systems Research Center located in Beaver, WV. The research partnership, which includes West Virginia University, Virginia Tech, and ARS, is targeted to Appalachian cattle farmers. The Committee provides an increase of \$100,000 from the fiscal year 2003 level for this research, which will ensure the economic viability of these farmers and conserve and protect the region's environment.

Aquaculture Research.—The Committee provides an increase of \$150,000 from the fiscal year 2003 level to develop grain-based products for use in fish feeds, human food, and industrial products from novel cultivars of barley and oats in cooperation with the University of Idaho Hagerman Fish Culture Experiment Station in Hagerman, ID.

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

Arid Lands Research.—The challenges for agricultural production and natural resource management in the desert Southwest and adjoining border regions are immense. Technologies for arid land agriculture are needed for the remediation of arid and semi-arid rangelands, sustainable agriculture production for growers of irrigated cotton and selected crops, and the restoration of disturbed lands. The Committee continues the fiscal year 2003 level for expanded research in rangeland resource management, irrigated farming technology, and environmental horticulture at the Jornada Experimental Range Station at Las Cruces, NM.

Arkansas Children's Nutrition Center, Little Rock, AR.—The Committee notes the importance of optimizing the nutrition and health of children from conception through adolescence. The Center is leading major research efforts to understand the relationship between chronic disease and diet, genetics, and lifestyle. The Committee continues the fiscal year 2003 level for expanded investigations on these issues.

Biological Control Research.—The Committee has been impressed by results of the various approaches which have been taken by the Jamie Whitten Delta States Research Center in the area of biological controls of cotton insect pests. The economic and environmental benefits of this research could eventually reduce the vulnerability of crops to major insect pests and create alternatives to traditional crop protection methods. The Committee continues funding for this project at the fiscal year 2003 level.

Biomass Crop Production.—The Committee continues the fiscal year 2003 level for increased cooperative research between ARS and South Dakota State University to further investigate the applicability of using a method of fiber extrusion to dry and process wet distiller grains from ethanol production into high value feed for cattle, as well as conversion to increased ethanol production.

Biomedical Materials in Plants.—Increased research is needed to carry out studies on tobacco and other plants as a medium to produce vaccines and other biomedical products for the prevention of many human and animal diseases. The Committee provides an increase of \$425,000 from the fiscal year 2003 level for expanded ARS cooperative research with the Biotechnology Foundation.

Biotechnology Research to Improve Crops and Livestock.—Biotechnology research has opened the path for sequencing and mapping the genes of crops and livestock, marking genes for adding precision to breeding of improved plants and animals, and identifying gene products through proteomics technology. Other technological advancements can be achieved in the livestock industry through the development of imaging at the molecular level using light, heat, and/or fluorescing signatures. These biotechnology ef-

forts generate huge volumes of data, which must be managed, transmitted electronically, and analyzed. The Committee continues the fiscal year 2003 level to ARS at Stoneville, MS, to support cooperative research in genomics and bioinformatics and in the use of biophotonics for the imaging of animal physiological processes at the cellular level.

Broiler Production in the Mid South.—Reduced broiler production costs are essential for the industry to increase net profit and remain competitive internationally. The Committee recognizes the importance of the cooperation between the ARS Poultry Research Unit and the Mississippi Agricultural and Forestry Experiment Station at Mississippi State. This cooperation has resulted in improved bird nutrition, control of mycoplasma disease with vaccines, and overall health, vigor, and growth of the birds through improved housing environmental controls. The Committee continues the fiscal year 2003 level for cooperative research on reducing ammonia levels in poultry litter, improving environmental controls, and reducing mortality in broiler flocks.

Canada Thistle.—The Committee recognizes the importance of controlling and eradicating the Canada thistle, a noxious, invasive weed that has surpassed leafy spurge in infested acreage in North Dakota. The Committee provides an increase of \$300,000 for fiscal year 2004 to carry out research experiments to examine the population genetics and biology of Canada thistle and to combat this weed in North Dakota and surrounding States. The research is to be conducted at the ARS research facility at Fargo, ND.

Catfish Health.—Disease-causing bacteria, viruses, and parasites threaten the economic viability of the Nation's billion dollar catfish industry. Rapid expansion of the U.S. channel catfish industry increases the vulnerability of the industry to outbreaks of diseases and parasites. Research urgently is needed to identify disease vectors, modes of transmission, life cycles and methods for controlling catfish diseases caused by parasites, fungi, bacteria, and viruses. A thorough understanding of the impact of environmental factors on disease will lead to improved management practices for conventional catfish culture in earthen ponds. The Committee continues the fiscal year 2003 level for the comprehensive catfish health research program based at the Stoneville, MS, National Warmwater Aquaculture Center. This Center is strategically located in the mid-delta, proximal to the vast majority of the U.S. commercial catfish farming acreage and already has a critical mass of scientists, facilities, and instrumentation addressing the disease issue. Ongoing research in genomics and breeding can be expanded to select for fish with disease and parasite resistance, but additional scientists, including a parasitologist and virologist, are required for a comprehensive disease and parasite genetic resistance research program.

Center for Food Safety and Postharvest Technology.—The Committee is aware of the significance of the research currently underway relating to catfish and other food products at the Mississippi Center for Food Safety and Postharvest Technology and continues funding at the fiscal year 2003 level for research on shellfish safety and methods of decreasing risks to consumers.

Central Great Plains Research Station.—This is the only ARS station conducting research aimed at solving dryland production problems in Colorado, Nebraska, Kansas, and Wyoming. The Committee continues the fiscal year 2003 funding level to the Central Great Plains Research Station at Akron, CO, for research on extensive crop rotation strategies. Increased research will focus on biological diversity to reduce weed, disease, and insects inherent in single crop rotation and utilize a complete systems approach to quantify comparative yield benefits under various rotation schemes.

Cereal Disease Research.—The Committee continues the fiscal year 2003 level to support the core group of scientists currently performing research at the Cereal Disease Research Laboratory, St. Paul, Minnesota.

Children's Nutrition Research Center.—The Children's Nutrition Research Center at the Baylor College of Medicine, Houston, TX, has helped define the role of nutrition in children's health, growth, and development; contributed to nutritional guidelines used by physicians, parents, and others responsible for the care and feeding of children, and is unique in its ability to address a broad array of children's nutritional issues. The Committee provides an increase of \$500,000 from the fiscal year 2003 level for increased investigation of the nutritional needs of pregnant and nursing women, and children from conception to adolescence, at the Children's Nutrition Research Center, Houston, TX.

Chronic Wasting Disease [CWD].—In order to reduce livestock losses and to improve efficiency of production, it is important to eradicate transmissible spongiform encephalopathies [TSE] in domestic animals. Scrapie of sheep and goats, bovine spongiform encephalopathies [BSE] and chronic wasting disease [CWD] of deer and elk are classes of TSE's of ruminant animals and are fatal diseases that can affect both animals and humans. The Committee continues the fiscal year 2003 funding level to the Animal Disease Laboratory, Pullman, WA, and the National Animal Disease Laboratory, Ames, IA, for urgent research on CWD.

Cacao Germplasm.—The Committee is aware of the climatic differences encountered in maintaining cacao germplasm at the ARS facility in Florida and is also aware of the sharp increase in commercial planting of cacao in Hawaii. The Committee recommends that ARS consider moving its cacao germplasm collection to the Pacific Basin Agricultural Research Center to take advantage of the more compatible cacao growing conditions at this location and to provide the applied research support needed by Hawaii's emerging chocolate industry.

Coffee and Cocoa.—The disease resistance and alternative crop research program for coffee and cocoa has important economic benefits and implications for foreign policy goals in South Central America and West Africa. As a globally marketable cash crop, cocoa can provide an alternative, environmentally beneficial choice for small farmers and an incentive to Andean farmers to abandon illegal crops for those that can provide stable long-term economic benefit. Cocoa is produced primarily by small farmers in the tropics of South Central America and West Africa that is also under severe disease pressure which threatens the stability of world supply of

cocoa and the economies of other cocoa-producing nations. The Committee continues the fiscal year 2003 funding level to fully realize the research potential of coffee and cocoa as alternatives to illegal crops.

Corn Germplasm.—Corn is a key resource in Iowa and throughout the world, providing food, industrial uses, livestock feed and export. It is important to broaden the germplasm base of corn hybrids grown by American farmers to establish genetic diversity and stability in corn production. The Committee continues the fiscal year 2003 level for the ARS Corn Germplasm Research Laboratory at Ames, Iowa for research to increase the productivity and genetic diversity of maize grown in the United States.

Corn Resistant to Aflatoxin.—Contamination of corn by aflatoxin limits corn production in the southern United States. Understanding the corn genome and where the genes for resistance are located on the genome will accelerate the plant breeding process leading to resistant corn lines. The Committee recognizes the progress already made in the discovery and transfer of aflatoxin-resistant corn germplasm to commercial seed companies as a result of the cooperation between the Mississippi Agricultural and Forestry Experiment Station and the ARS Corn Host Plant Resistance Research Unit at Mississippi State. The Committee has provided the fiscal year 2003 funding level for ARS at Mississippi State to continue this cooperative research on the development of corn plants resistant to aflatoxin.

Cotton Genetics Research.—Global competition in the textile industry has caused domestic textile manufacturers to adopt more efficient cotton farm spinning technologies. These new technologies require higher fiber strength to operate resistance to nematodes and insect pests that annually inflict significant losses to the cotton industry. There is a need to broaden the genetic base of cotton germplasm with fiber properties that will meet today's more efficient yarn spinning machines, as well as cotton varieties with improved host resistance to insects and pathogens. The Committee continues the fiscal year 2003 level for cotton genetics research.

Cotton Genomics, Breeding, Variety Development, and Pest Resistance.—The Committee recognizes the progress that has been made through the cooperative efforts of the ARS and the Mississippi Agricultural and Forestry Experiment Station at Stoneville, MS, in the research, development, and transfer of improved cotton germplasm to the cotton industry. This cooperative research must be accelerated to incorporate new genetic material into agronomically-acceptable varieties and to transfer reniform nematode and other pest resistance into improved cotton lines. The Committee continues the fiscal year 2003 funding level to enhance the public cotton breeding program conducted by ARS at Stoneville, MS.

Cotton Ginning Laboratory.—The Committee continues funding at the fiscal year 2003 level for ARS cotton ginning research.

Dairy Forage Research.—The Committee recognizes the important research on dairy forage carried out by ARS at the U.S. Dairy Forage Research Center in Madison, WI. The Committee provides an increase of \$1,400,000 from the fiscal year 2003 level for expanded dairy forage research at the center.

Delta Nutrition.—The Committee provides \$300,000 for nutrition activities through a cooperative agreement with the Southern University Center for Food Nutrition and Health Promotion in Louisiana. This funding will advance research to assess the human health and nutrition status of underserved rural communities.

Ecology of Tamarix.—Tamarix (salt cedar) are woody invasive plants which threaten aquatic systems by consuming large amounts of water, out competing native vegetation like willow and cottonwood trees for water. It is a serious problem in Nevada, California, Colorado, Texas, and other Western States. The Committee is aware of the ARS biocontrol field trials on China beetles to eradicate tamarix and provides an increase of \$1,000,000 for fiscal year 2004 to accelerate research on tamarix control using China beetles and other biocontrols, and to expand research on cheat grass at the ARS research station in Reno, NV.

Fish Disease Research.—The development of safe and effective vaccines for prevention of disease in catfish is essential to the growth of the catfish industry. There are currently only a number of approved therapeutic compounds available for farmers to heal diseases of fish. Vaccinations, successful in other animals, appear to be the best means of preventing diseases. The Committee provides an increase of \$100,000 from the fiscal year 2003 funding level to the ARS Fish Disease and Parasitic Research Laboratory at Auburn, AL, for increased research on the development of commercially approved vaccines for catfish.

Floriculture and Nursery Research.—Nursery and greenhouse products rank third in production in the Nation. As the public demands more plants and trees to help clean the air, prevent water runoff and soil erosion, and improve water conservation and quality, the nursery industry is playing an expanding and significant role in enhancing environmental quality. The Committee continues the fiscal year 2003 level for floriculture and nursery research aimed at reducing chemical use, improved post-harvest life of flowers and plants, disease and pest resistant flowers and plants, control of root diseases, robotics research, and control of run-off from greenhouse and nursery operations.

Food Safety and Engineering.—The Committee provides an additional \$100,000 from the fiscal year 2003 level for increased collaborative research with Purdue University in the area of food safety and engineering.

Forage and Range Research.—The Committee recognizes the important research being carried out by ARS at the Forage and Range Research Laboratory, Logan, UT. The research program seeks to develop and improve range and pasture plants, reinvigorate disturbed and over-used rangelands, effect revegetation following wild fires, combat invasive weeds, and provide improved forages for livestock. The Committee provides an increase of \$300,000 from the fiscal year 2003 level for additional research required to develop range and pasture plant varieties.

Forage-Livestock Systems.—The Committee provides an increase of \$600,000 from the fiscal year 2003 funding level to ARS to continue a cooperative project with the University of Kentucky on tall fescue breeding and improvement efforts to develop an enhanced national forage base.

Formosan Subterranean Termite.—The management of this termite is essential to Louisiana economic well-being. This termite has infested 32 parishes in Louisiana, with the most severe infestations occurring in the New Orleans and Lake Charles areas. This insect has caused millions of dollars worth of damage with an astonishing \$300,000,000 impact in New Orleans alone. The Committee provides an increase of \$300,000 from the fiscal year 2003 level to the Southern Regional Research Center at New Orleans, LA, for expanded research efforts focusing on improved termite detection systems, evaluation of wood products for protecting building materials, and enhancement of bait technology.

The Committee also recognizes the University of Mississippi's ongoing research and development efforts to assist USDA entomologists who are focused on the reduction of Formosan subterranean termites. The National Center for Physical Acoustics at the University of Mississippi plays a unique role in development and application of acoustic detection methods for accurately locating Formosan termites in structures of the French Quarter in New Orleans. Accurate detection is an important aspect in control of these insects. The Committee continues funding at the fiscal year 2003 level for continued research and development in the use of insect acoustics.

Fort Keogh Livestock and Range Research Laboratory.—The Committee recognizes the threat to long-term sustainability of the Northern Great Plains range livestock industry from infestations of noxious weeds such as leafy spurge and spotted knapweed. The objective of the Fort Keogh, MT, station is to develop low-input rangeland management strategies that impede or control the spread of noxious weeds into native rangelands and planted pastures. The Committee continues the fiscal year 2003 level.

Glassy-Winged Sharpshooter.—The Committee continues to be concerned about the serious costs that the Glassy-winged sharpshooter [GWSS] and Pierce's disease [PD] inflict on U.S. vineyards. Citrus and nursery stock growers now have costly new shipping requirements to inspect and treat plants and crops to curb the spread of GWSS-PD. The Committee provides an increase of \$450,000 from the fiscal year 2003 level to the ARS Parlier, CA, laboratory to continue its research efforts and collaborations to control and eradicate this devastating carrier and disease.

Grain Marketing and Research Center.—The Committee is aware that ARS has co-located the research programs of the Wind Erosion Research Unit and the Grain Marketing Research Center [GMRC] at the GMRC location in Manhattan, Kansas. This co-location of facilities results in inadequate research space for these individual programs. The Committee expects ARS to conduct a feasibility study detailing costs and plans for meeting the additional facility space requirements created by this co-location. The Committee expects ARS to provide a report to the Committee on this study no later than March 1, 2004.

Grand Forks Human Nutrition Laboratory.—Research is needed to study rural health problems related to diet in the Northern Great Plains. Particular emphasis will be given to the diets of Native Americans and the rural elderly. The Committee provides \$300,000 from the fiscal year 2003 level for this program to be car-

ried out by the ARS Grand Forks Human Nutrition Center in cooperation with the University of North Dakota School of Medicine and Health Sciences.

Grapefruit Juice/Drug Interaction Research.—With the consumption of grapefruit juice dramatically declining, there is a need to examine and attain more precise data on the effect of grapefruit juice on the absorption rates of certain medications. The Committee continues the fiscal year 2003 level to the ARS Citrus Research Laboratory at Winterhaven, FL, for research to identify and characterize the components of grapefruit juice responsible for enzyme suppression, understand the dosage affected, and determine the rate of consumption for safety and efficacy.

Grape Genetics.—The Committee is aware that grapes are the sixth largest crop in the United States and one of the most important cash crops worldwide. The United States is the fourth largest producer of wine, responsible for about 10 percent of all world wine. The Committee provides an increase of \$150,000 in fiscal year 2004 for the grape genetics research program at the ARS facility in Geneva, New York.

Great Lakes Aquaculture Research.—The Committee recognizes the important research studies that ARS carries out nationwide that benefit the aquaculture industry and the American consumer. There is a great need for expanded fundamental and applied research to improve production technology of Great Lakes species such as whitefish, lake trout, yellow perch walleye, and northern pike. The Committee provides an increase of \$300,000 for fiscal year 2004 for a cooperative program with the Great Lakes Aquaculture Center to support this research and an increase of \$300,000 for a cooperative agreement with the University of Wisconsin for Northern Wisconsin Aquaculture research.

Harry Dupree National Aquaculture Research Center.—Arkansas leads the Nation in raising hybrid striped bass, as well as in producing 80 percent of the Nation's baitfish and other food fishes. The Committee understands that this Center plays a significant role in meeting the needs of the U.S. aquaculture industry by conducting research aimed at improving yields, food quality, disease control, and stress tolerance. The Committee continues the fiscal year 2003 funding level for increased research on the genetic improvement of hybrid striped bass.

Hawaii Agriculture Research Center.—The Committee continues the fiscal year 2003 level for the Hawaii Agriculture Research Center to enhance the competitiveness of U.S. sugarcane producers and to continue to support the expansion of new crops and products, including those from agroforestry, to complement sugarcane production in Hawaii.

Hides and Leather Research.—The USDA's only hides and leather research is carried out at the Eastern Regional Research Center in Wyndmoor, PA. The research provides the hides and leather industry with cost-effective and environmentally safe tanning processes which will enhance U.S. producers' competitiveness in world markets. The Committee continues the fiscal year 2003 funding level for this research.

Hops Research.—The Committee is aware of the importance of research to the hops industry in the Pacific Northwest. Hops are

grown commercially in Oregon, Washington, and Idaho. The Committee provides an increase of \$250,000 for research on powdery mildew that has caused widespread devastation to the hops production in the Northwest. This increase will be carried out at the ARS research station at Corvallis, OR.

Horticulture Research.—The Committee recognizes the importance of the cooperation between the ARS Small Fruits Research Unit and the Mississippi Agricultural and Forestry Experiment Station at Poplarville, MS. This cooperation catalyzed and now undergirds the Gulf Coast blueberry and other small fruit industries. This cooperation has expanded into the development of vegetable, melon, and ornamental industries and can revitalize small farms in the south. The Committee continues the fiscal year 2003 funding level for the cooperative research and development efforts on ornamentals, vegetables, and melons at Poplarville, MS.

Human Nutrition Research Center on Aging [HNRCA].—The HNRCA at Tufts University is one of six USDA research centers that study the effects of human nutrition on health. The program at HNRCA requires additional resources to maintain existing scientists and staff as well as to offset inflation and spiraling energy costs. The Committee provides an increase of \$250,000 to ARS from the fiscal year 2003 level to meet these resource needs.

Integrated Farming Systems.—The Committee understands that Integrated Farming Systems represents the agriculture operation in its entirety, including finances, natural resources and off-farm environmental impacts. The National Soil Tilth Laboratory in Ames, IA, conducts this research with special emphasis on nutrient management. The Committee continues the fiscal year 2003 level.

IPM Strategies for Northern Climate.—Insect pests, plant pathogens, and weed pests are serious threats to Alaska's economic viability. The Committee recognizes the importance of agricultural research to enhance productivity and profitability of Alaska's farming industry, including the preservation and management of its valuable natural resources utilizing IPM strategies. The Committee continues the fiscal year 2003 funding level for expanded research to develop IPM application approaches suitable to northern latitudes that support viable crop and nursery production systems and the sustainability of natural resources.

Invasive Species.—The Committee understands the serious impact that invasive species have on production agriculture. Invasive species are second only to loss of habitat in causing negative impacts on environmental areas and loss of biological diversity. The Committee continues the fiscal year 2003 level for this biological control program.

Johne's Disease (Bovine Paratuberculosis).—Johne's is a contagious disease that causes chronic wasting or debilitating enteritis and eventual death in cattle, sheep, goats, deer and other wild and domestic ruminants. Infected animals intermittently shed the microorganisms into milk and feces. Infection is difficult to diagnose because of the fastidious, slow growth of the microorganisms and the poor reliability of the sero-diagnostic tools. Additional research is needed to develop improved diagnostics and vaccines, and better understanding of the pathogenicity of the organism. The Committee continues the funding level available in fiscal year 2003

for research to control this devastating disease affecting this Nation's beef and dairy industries.

Karnal Bunt.—The Committee is aware of the significant threat karnal bunt poses to the U.S. wheat industry and U.S. wheat exports. To aid in development of karnal bunt resistance and control methods, the Committee continues the fiscal year 2003 level for research in this area. The Committee expects ARS to work with Kansas State University to establish a consortium in Manhattan, KS, that will work with other land grant universities in this research area.

Livestock Genome Sequencing.—The Committee continues the fiscal year 2003 level for the U.S. Meat Animal Research Center at Clay Center, NE, for expanded genomics research to identify the genes that influence disease resistance, reproduction, nutrition, and other economically important traits in livestock. This research is to be performed in collaboration with the University of Illinois.

Malignant Catarrhal Fever [MCF] Virus.—The Committee acknowledges the importance of research for the sheep-associated virus, Malignant Catarrhal Fever [MCF], infecting small ruminants. The Committee continues the fiscal year 2003 funding level for research on the development of vaccines critical to the systematic eradication of MCF virus in small ruminants at the ARS laboratory at Pullman, WA, in cooperation with the ARS sheep station at Dubois, ID, and Washington State University.

Michael Fields Agricultural Institute.—The Committee continues the fiscal year 2003 level for ARS to initiate collaborative research with the Michael Fields Agricultural Institute. This research will develop high-quality corn in Wisconsin and other Mid-Western States for increased nutritional value and adaptation to sustainable farming systems. Collaborative research will be directed at corn breeding, analysis, corn quality, on-farm research and information dissemination.

Microbial Genomics.—The Committee recognizes the importance and significance of the joint microbial genomics initiative between the ARS Animal Disease Research Unit at Pullman, WA, and the ARS Tick Research Unit at Kerrville, TX, and continues the fiscal year 2003 level of funding.

Monkeypox Research.—The Committee is concerned about the recent outbreak of Monkeypox in the Midwest and the potential devastation posed by this disease to the United States. Homeowners continue to acquire more exotic pets including snakes, frogs, turtles, etc., that cause over 90,000 illnesses to Americans annually. The Committee provides an increase of \$1,000,000 for an inter-agency effort led by ARS to examine the presence of animal related diseases and pathogen transmissions between animals and humans. The Committee directs that the Agency work directly with the Animal and Plant Health Inspection Service, the Centers for Disease Control, and the Fish and Wildlife Service's Animal Health Laboratory at Madison, WI, to develop and improve diagnostics and control efforts in regard to this disease.

National Cold Water Marine Aquaculture Center.—The Committee notes the importance of aquaculture research to the State of Maine, which leads the Nation in Atlantic salmon cultivation. Other important aquaculture species in Maine include shellfish and

trout. Research on marine finfish is vitally important to Maine's aquaculture program. Finfish, including haddock, halibut, and cod, are primary candidates for future diversity of Maine's aquaculture industry. The Committee provides an increase of \$300,000 from the fiscal year 2003 funding level for this research, which will be undertaken at the Franklin, Maine, research location.

National Corn to Ethanol Research Pilot Plant.—The National Corn to Ethanol Research Pilot Plant at Edwardsville, IL, was constructed to avail researchers and commercial producers with a state-of-the-art facility to develop more efficient production of ethanol. The plant will operate on a time-share basis to Federal and State agencies, universities, and commercial producers. The plant has the near-term potential to improve the efficiency and decrease the cost of corn conversion for ethanol production. The Committee continues the fiscal year 2003 level to fund ARS research at the pilot plant. The research will utilize both wet milled and dry milled projects and will focus on processing efficiencies that can be adapted commercially in the near term.

National Nutrition Monitoring System.—Health and dietary information gathered from a combined U.S. Department of Agriculture/Department of Health and Human Services is critical to the Nation and plays a key role in shaping national food policies and programs including food safety, food labeling, child nutrition, food assistance and dietary guidance. The Committee continues the fiscal year 2003 level for the combined national nutrition monitoring program.

National Sclerotinia Initiative.—The Committee recognizes the importance of controlling this disease which affects sunflowers, soybeans, canola, edible beans, peas and lentils. The Committee continues the fiscal year 2003 level for this research initiative which is centered at the ARS research station at Fargo, ND.

National Sedimentation Laboratory.—The National Center for Computational Hydroscience and Engineering, in cooperation with the Agriculture Research Service at Oxford, MS, has developed a series of mathematical models to assess and mitigate upland soil erosion, stream bank failure, and the transport and impact of sediment on stream morphology and ecology. These models have been recognized nationally and internationally as being at the forefront of research on understanding sediment transport processes. The Committee continues funding at the fiscal year 2003 level to ARS at Oxford for expanding cooperative research with the Center and accelerating the transfer of the modeling technology to Federal and State agencies responsible for mitigating soil erosion and sediment transport in streams.

National Soil Erosion Laboratory.—The Committee continues the fiscal year 2003 level for salaries and related research expenses for a water quality researcher stationed at the USDA-ARS National Soil Erosion Laboratory at West Lafayette, Indiana.

Natural Products.—The Committee provides an increase of \$500,000 from the fiscal year 2003 level for the ARS to continue and accelerate its cooperative research with the National Center for Natural Products Research to discover and develop natural product chemicals for use in agriculture.

Northern Grains Insect Research Laboratory.—Diverse economic and environmental pressures have impacted agriculture in the Northern Plains. The Northern Grains Insect Research Laboratory in Brookings, South Dakota focuses on production agriculture problems for the Northern Plains. This laboratory is working on research that directly benefits farmers, such as new cropping systems and innovative crop rotations that minimize use of chemicals and tillage. The Committee provides an increase of \$500,000 from the fiscal year 2003 level for support of two additional scientist positions required by the laboratory to assemble a team of scientists to address the diverse economic and environmental problems in the Northern Plains.

Northern Great Plains Ecosystem.—The Committee is aware of the research and outreach programs conducted by the ARS Biological Control and Soil Conservation Laboratory at Sidney, Montana. A major focus of research at the station is targeted to biocontrol of invasive and noxious weeds and enhancing the long-term sustainability of range, irrigated and dryland agriculture. Invasive weeds alter ecosystem structure and function, reduces biodiversity, displaces native plants and requires widespread use of herbicides. The Committee continues the fiscal year 2003 level to strengthen this program.

Northern Plains Agricultural Research Laboratory.—The Committee understands the importance of expanding research on irrigated cropping practices, crop rotation, water use, and integrated pest management of weeds in irrigated and dryland crops in the Northern Plains. This research will improve production and crop quality, and will increase long-term economic returns to growers. The Committee provides an increase of \$900,000 for fiscal year 2004 for this research at the Northern Plains Agricultural Research Laboratory.

Noxious Weeds in the Desert Southwest.—Invasive and noxious weeds are expected to infest 140 million acres in the United States by the year 2010. Rangeland and pastures will be the primary land types invaded by these species. The Committee supports the bio-control research on invasive non-native and tree species carried out by ARS at the Jornada Experimental Range in Las Cruces and continues the fiscal year 2003 funding level for this research.

Ogallala Aquifer.—Surface water in the Central High Plains region is severely limited and the Ogallala Aquifer, which underlies this area, has provided water for the development of a highly significant agricultural economy. However, the Ogallala Aquifer is a finite resource. The Committee provides the Agricultural Research Service an increase of \$950,000 from the fiscal year 2003 level for research into the complex nature of water availability, potential uses, and costs which will help determine future water policy in this region. This research is to be based in Texas but coordinated with other affected States, including Kansas.

Organic Research.—The Committee supports ARS activities at appropriate locations to enhance research related to organic agriculture.

Ornamental and Horticulture Research.—The Committee recognizes the collaborative research program between ARS and the University of Vermont [UVM]. Research currently underway at

UVM includes Pear thrips and the Asian Long-horned Beetle. UVM research is critical to the protection of the ornamental and horticulture industries throughout New England. The Committee provides an increase of \$150,000 for Pear thrips research from the fiscal year 2003 level.

Papaya Ringspot Virus.—The Committee provides the fiscal year 2003 level to the University of Hawaii College of Tropical Agriculture and Human Resources to monitor and refine control of the papaya ringspot virus and to expand the techniques and knowledge obtained from this program to other diseases and pests; and to coordinate a program to induce nematode resistance, flowering control, and mealy bug wilt disease resistance in commercial pineapple varieties and to seek funds from the private sector to complement Federal funds. The Committee views the nematode and ringspot virus activities as supportive of a national agricultural research agency and that of Hawaii.

Phytoestrogens Research.—The Committee is aware of the increased consumption of soy products and controversies surrounding the health claims from those products. Phytoestrogens, plant-derived products that can mimic or block estrogen, remain a priority issue for USDA researchers. Research studies have suggested that phytoestrogens have a range of human health benefits that can prevent certain diseases. However, extensive studies on their long-term benefits and side effects are lacking. The Committee provides an increase of \$400,000 for this research from the fiscal year 2003 level. Current research is carried out at the Southern Regional Research Center in New Orleans in collaboration with other universities. The Committee directs \$200,000 of these resources be used in collaboration with the University of Toledo to fingerprint and isolate novel products in stressed and unstressed soy.

Plant Genetic Diversity and Gene Discovery Center.—The Committee recognizes the challenges of water availability, invasive weeds, fire cycles, and conservation in the Western United States. To meet these needs, the Committee supports the establishment of a plant genetic diversity and gene discovery center at the ARS Forage and Range Research Laboratory in collaboration with the Utah Agricultural Experiment Station. The center will access plant genetic relationships and identify native plant species through DNA technologies to help conservation efforts in genetic diversity and support wild lands rehabilitation efforts after fire, mining, and invasive weed control activities. The Committee provides an increase of \$750,000 in fiscal year 2004 for this program.

Poisonous Plant Research.—The USDA Poisonous Plant Research Laboratory at Logan, Utah conducts vital research on the effects of poisonous plants on livestock in support of the Nation's livestock industry. The Committee is aware of the important investigations carried out by this laboratory and the significant contributions it has made in agricultural plant and animal sciences. The Committee provides an increase of \$1,200,000 in fiscal year 2004 to ensure scientific staffing and to strengthen ongoing poisonous plant research programs.

Potato Production.—The Committee recognizes the important contributions made by the USDA-ARS research units at Prosser and Wapato, Washington, but encourages closer cooperation be-

tween the units in conducting research and solving problems in potato production.

Potato Research.—The Committee is concerned that funding levels and lack of personnel resources limit ARS' ability to address some aspects of potato variety research. The Committee continues the fiscal year 2003 level to meet research staffing needs at the Aberdeen, ID, research laboratory.

The Committee expects that the potato research funds appropriated to the ARS Research Unit in Wapato, Washington, be used for actual potato research, and recommends that ARS allocate a proportionate amount of these funds for potato entomology research, rather than only staff and indirect costs.

Potato Storage.—The Committee recognizes the need for expanded investigations on potato storage and provides an increase of \$300,000 for fiscal year 2004 for this work. Research will be conducted at the ARS Madison, WI, laboratory on plant physiology, fumigation, and cultural practices to help growers reduce pesticide inputs.

Precision Agriculture Research.—The Committee continues the fiscal year 2003 level for the Mandan Northern Great Plains Research Laboratory for a precision agriculture research project and global climate change research. The precision agriculture research should be conducted in cooperation with the Upper Midwest Aerospace Consortium and DigitalGlobe. In addition, the Committee has restored the funding provided last year for the Hettinger Extension Service Southwest Feeders Program. ARS researchers can contribute significantly to the knowledge base UMAC can transfer to producers.

Program Continuations.—The Committee directs the Agricultural Research Service to continue to fund the following areas of research in fiscal year 2004 at the same funding level provided in fiscal year 2003: Acoustic Technology, Oxford, MS; Aerial Application Research, College Station, TX; Aflatoxin in Cotton, Phoenix, AZ; Agricultural Genome Bioinformatics, Ames, IA; Agricultural Law, Drake University, NAL; Agroforestry Research, Booneville, AR; Alternative Crops and Value Added Products, Stoneville, MS; Animal Vaccines; Animal Welfare Information Center, NAL; Appalachian Fruit Research Station, Kearneysville, WV; Appalachian Pasture Based Beef Systems, Beaver, WV; Aquaculture Initiative for Mid-Atlantic Highlands, Leetown, WV; Aquaculture Research, Aberdeen, ID; Arctic Germplasm, Palmer, AK; Arid Lands Research, Las Cruces, NM; Arkansas Children's Nutrition Center, Little Rock, AR; Asian Bird Influenza, Athens, GA; Barley Food Health Benefits, Beltsville, MD; Bee Research, Logan, UT; Bee Research, Weslaco, TX; Binational Agricultural Research and Development Program; Bioinformatics Institute for Model Plant Species, Ames, IA; Biomass Crop Production, Brookings, SD; Biomedical Materials in Plants, Beltsville, MD; Biomineral Soil Amendments for Control of Nematodes, Beltsville, MD; Biotechnology Research and Development Corp, Peoria, IL; Biotechnology Research to Improve Crops and Livestock, Stoneville, MS; Bovine Genetics, Beltsville, MD; Broiler Production in the Mid-South, Mississippi State, MS; Catfish Genome, Auburn, AL; Catfish Health, Stoneville, MS; Central Great Plains Research Station, Akron, CO; Cereal Crops Research,

Madison, WI; Cereal Crops, Northern Crops, Fargo, ND; Cereal Disease Research, St. Paul, MN; Coffee and Cocoa Research, Miami, FL; Beltsville, MD; Corn Germplasm, Mississippi State, MS; Corn Germplasm, Ames, IA; Corn Resistant to Aflatoxin, Mississippi State, MS; Cotton Genetics Research, Florence, SC; Cotton Genomics, Breeding, and Variety Development, Stoneville, MS; Cotton Genomics, Breeding, Variety Development and Pest Resistance, Stoneville, MS; Cotton Ginning Research, Las Cruces, NM; Dairy Forage, Madison, WI; Dairy Genetics, Beltsville, MD; Delta Nutrition Intervention Initiative, Little Rock, AR; Diet and Immune Function, Little Rock, AR; Dryland Production, Akron, CO; Ecology of Tamarix, Reno, NV; Floriculture and Nursery Crops; Food Safety and Engineering, Wyndmoor, PA; Food Safety for Listeria and E.coli; Forage and Range Research, Logan, UT; Forage-Livestock Systems, Lexington, KY; Formosan Subterranean Termites, New Orleans, LA; Foundry Sand By-Products, Beltsville, MD; Ft. Keogh Livestock and Range Research Laboratory, Miles City, MT; Grain Legume Plant Pathologist Position, Pullman, WA; Grain Research, Manhattan, KS; Grand Forks Human Nutrition Laboratory, Grand Forks, ND; Grape Genetics, Geneva, NY; Grapefruit Juice/Drug Interaction; Winter Haven, FL; Great Basins Rangeland, Boise, ID; Reno, NV; Burns, OR; Greenhouse Hydroponics Research, Wooster, OH; Harry Dupree National Aquaculture Research Center, Stuttgart, AR; Harvesting Research for Sugarcane, Houma, LA; Hides and Leather Research, Wyndmoor, PA; Honey Bee Research, Baton Rouge, LA; Hops Research, Corvallis, OR; Horticulture Research, Poplarville, MS; Human Nutrition Research Center on Aging, Boston, MA; Improved Animal Waste Management, Florence, SC; Improved Crop Production Practices, Auburn, AL; Improved Forage Livestock Production, Lexington, KY; Integrated Farming Systems, Ames, IA; Integrated Farming Systems/Dairy Forage, Madison, WI; IPM for Northern Climate Crops, Fairbanks, AK; Irrigated Cropping Systems in the Mid-South, Stoneville, MS; John's Disease, Ames, IA; Beltsville, MD; Jornada Experimental Range Research Station, Las Cruces, NM; Karnal Bunt, Manhattan, KS; Late Blight Fungus, Orono, ME; Livestock and Range Research, Miles City, MT; Livestock Genome Mapping, Clay Center, NE; Malignant Catarrhal Fever [MCF] Virus, Pullman, WA; Medicinal Botanical Production and Processing, Beaver, WV; Michael Fields Agricultural Institute, Madison, WI; Microbial Genomics, Kerrville, TX; Pullman, WA; Minor Use Pesticide [IR-4]; National Center for Cool and Cold Water Aquaculture, Leetown, WV; National Center for Cool and Cold Water Aquaculture—Aquaculture Systems—Freshwater Institute, Leetown, WV; National Cold Water Marine Aquaculture, Orono, ME; National Corn to Ethanol Research Pilot Plant; National Germplasm Resources Program; National Nutrition Monitoring System, Beltsville, MD; National Sclerotinia Initiative, Fargo, ND; National Sedimentation Laboratory Acoustics, Oxford, MS; National Sedimentation Laboratory Yazoo Basin, Oxford, MS; National Sedimentation Laboratory Yazoo Basin/TMDLs, Oxford, MS; National Soil Dynamics Laboratory, Auburn, AL; National Soil Erosion Laboratory, West Lafayette, IN; National Warmwater Aquaculture Center, Stoneville, MS; Natural Products, Oxford, MS;

Nematology Research, Tifton, GA; New England Plant, Soil, and Water Research, Orono, ME; Northern Grain Insect Laboratory, Brookings, SD; Northern Great Plains Ecosystem, Sidney, MT; Northern Great Plains Research Laboratory, Mandan, ND; Noxious Weeds in the Desert Southwest, Las Cruces, NM; Nutritional Requirements, Houston, TX; NW Small Fruits Research, Corvallis, OR; Oat Virus, West Lafayette, IN; Ogallala Aquifer, Bushland, TX; Olive Fruit Fly, Parlier, CA; Montpelier, FR; Ornamental and Horticulture Research, Ithaca, NY; Ornamental Crops Research, Poplarville, MS; Phytoestrogen Research, New Orleans, LA; Pierce's Disease, Davis, CA; Parlier, CA; Ft. Pierce, FL; Potato Breeding Research, Aberdeen, ID; Potato Research Enhancement, Prosser, WA; Potato Research, Aberdeen, ID; Poultry Disease (Avian Coccidiosis), Beltsville, MD; Poultry Disease (Avian Leukosis-J Virus); Precision Agriculture Research, Mandan, ND; Rainbow Trout, Aberdeen, ID; Rainbow Trout, Leetown, WV; Rangeland Resources Research, Las Cruces, NM; Red Imported Fire Ants, Stoneville, MS; Regional Grains Genotyping Research, Raleigh, NC; Residue Management in Sugarcane, Houma, LA; Resistance Management and Risk Assessment in Bt Cotton, Stoneville, MS; Risk Assessment for Bt Corn, Ames, IA; Root Diseases in Wheat and Barley, Pullman, WA; Seafood Waste, Fairbanks, AK; Sedimentation Issues in Flood-Control Dam Rehabilitations, Oxford, MS; Seismic and Acoustic Technologies in Soils Sedimentation Laboratory, Oxford, MS; Shellfish Genetics, Newport, OR; Small Farms, Booneville, AR; Small Fruits Research, Poplarville, MS; Soil Plant Nutrient Research, Ft. Collins, CO; Soil Tilth Research, Ames, IA; Sorghum Research, Little Rock, AR; Manhattan, KS; Stillwater, OK; Bushland, TX; Lubbock, TX; Southwest Pecan Research, College Station, TX; Soybean and Nitrogen Fixation, Raleigh, NC; Soybean Cyst Nematode, Stoneville, MS; Soybean Genetics, Columbia, MO; Soybean Research in the South, Stoneville, MS; Sudden Oak Disease, Frederick, MD; Sugarbeet Research, Kimberly, ID; Sustainable Olive Production, Weslaco, TX; Sustainable Vineyard Practices, Davis, CA; Sustainable Viticulture Research, Davis, CA; Sweet Potato Research, Stoneville, MS; Swine Lagoon Alternatives Research, Florence, SC; Temperate Fruit Flies, Wapato, WA; Trout Genome Mapping, Leetown, WV; Turfgrass Research, Washington, DC; U.S. National Arboretum, Washington, DC; U.S. Pacific Basin Ag Research Center, Hilo, HI; U.S. Plant Stress and Water Conservation Laboratory, Lubbock, TX; U.S. Vegetable Laboratory/Staffing, Charleston, SC; Vaccines and Microbe Control for Fish Health, Auburn, AL; Vegetable Crops Research, Madison, WI; Virus-Free Fruit Tree Cultivars, Wapato, WA; Virus-Free Potato Germplasm, Fairbanks, AK; Viticulture, Corvallis, OR; Waste Management Research, Mississippi State, MS; Water Management Research Laboratory, Brawley, CA; Water Resource Management, Tifton, GA; Water Use Reduction/Producer Enhancement Research, Dawson, GA; Watershed Research, Columbia, MO; Western Grazinglands, Burns, OR; Western Wheat Quality Laboratory, Pullman, WA; Wheat and Barley Scab Initiative, Manhattan, KS; Raleigh, NC; Fargo, ND; Wheat Quality Research, Manhattan, KS; Fargo, ND; Wooster, OH; Pullman, WA; Wild Rice, St. Paul, MN; Woody Genomics and Breeding for the Southeast, Poplarville, MS.

Rainbow Trout.—The Committee provides an increase of \$725,000 from the fiscal year 2003 level to develop and test improved rainbow trout strains and alternative grain-based fish feeds in cooperation with the University of Idaho Hagerman Fish Culture Experiment Station in Hagerman, Idaho.

Red Imported Fire Ants.—Nationally, the red imported fire ant causes damage and control costs of over \$1,000,000,000 per year. As an invasive species, it has expanded from its apparent point of entry at Mobile, Alabama, to encompass over 300 million acres in 12 Southern States including Mississippi and Texas, three Western States including California, and Puerto Rico. Range expansion into one-fourth of the United States and parts of Mexico is expected to continue without centralized aggressive action. The Committee recognizes the leadership provided by ARS at Stoneville, MS, in the development of natural enemy mass propagation and release technologies for area-wide suppression of the red imported fire ant and halting its spread. Other research is directed toward development of toxic baits and use of geographic information systems and remote sensing technologies to detect the delineate fire ant infested areas. The Committee continues funding at the fiscal year 2003 level to expand cooperative research to implement multi-year, community-wide trials in the mid-South to eliminate populations of the imported fire ant.

Regional Grains Genotyping Research.—Current regional ARS laboratories characterize germplasm and improve resistance to rusts, blights and insect pests. Regional genotyping centers will overcome the barriers to practical use through DNA extraction and high-throughput marker screening procedures. The Committee continues the fiscal year 2003 level for this research to be carried out at the ARS research laboratory at Raleigh, NC.

Resistance Management and Risk Assessment in Bt Cotton and Other Plant Incorporated Protectants.—Transgenic Bt cottons have provided outstanding control of insecticide-resistant tobacco budworms and suppressed other cotton caterpillar pests. However, potential evolution of resistance in caterpillar pests to the Bt protein(s) in transgenic cotton threaten the viability of the Bt plant protectant technology. The Environmental Protection Agency has imposed strategies for managing the evolution of resistance to preserve the Bt technology, but it is important to develop data to validate these strategies. The Committee continues the fiscal year 2003 level to ARS at Stoneville, MS, to coordinate a national program for devising the most effective and economically sustainable production systems for ensuring the long-term integrity of Bt crop protection and resistance management.

Seafood Waste.—The disposal of seafood waste continues to be a national and international problem. Additional research is needed to determine alternative uses of discarded fish as a possible source of additional income for seafood producers. The Committee supports the existing ARS/University of Alaska collaborative research project on feedstuff that can be generated from materials usually wasted during processing of seafoods. The Committee provides an increase of \$200,000 from the level of funding available in fiscal year 2003 for expanded research to address this problem.

Sedimentation Issues in Flood-Control Dam Rehabilitation.—Nearly 11,000 flood control dams have been constructed by the United States Department of Agriculture nationwide in 2,000 watersheds since 1944. These watershed projects represent a \$14,000,000,000 infrastructure, providing flood control, municipal water supply, recreation, and wildlife habitat enhancement. The life expectancy of these dams is projected to be 50 years. Sedimentation has reduced water-holding capacity, structural components have deteriorated, and safety regulations have become more strict. The Committee continues the fiscal year 2003 funding level to ARS at Oxford, MS, for assessing the efficiency of these structures in regulating floodwater, including the use of acoustics techniques, and hazards that the sediments may pose if introduced into the environment.

Shellfish Genetics.—ARS has established a shellfish genetics research program that focuses on genetics, ecology and food quality. The Committee recognizes the importance of this multi-State research program and continues the fiscal year 2003 funding level for shellfish genetics research at the Oregon State University Hatfield Marine Science Center in Newport, OR.

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

Small Fruits Research.—The Committee supports the ongoing research conducted by the Small Fruit Genetics and Pathology Research unit at Corvallis, OR. The demand for fresh and processed berries and grapes in both domestic and international markets continues to grow at a rapid rate. The Committee provides an increase of \$250,000 from the fiscal year 2003 level of funding for this research which involves cooperation between industry, State and Federal research.

Soil Dynamics Research.—The extent of soil degradation in the South not only impairs soil and water quality but also reduces profitability and economic sustainability of farms in the region. Improving profitability of farms in the South is critical to rural economies as farm numbers continue to decline. The Committee provides an increase of \$300,000 from the fiscal year 2003 funding level to the ARS Soil Dynamics Laboratory at Auburn, AL, for expanded research to develop technologies and strategies for managing soils to increase farm profitability, and preserve the soil resource for future generations.

Soil, Plant, Nutrient Research.—The Committee understands the important contributions made by the ARS Ft. Collins Soil, Plant, Nutrient Laboratory and continues the fiscal year 2003 funding level to support the cropping systems and nitrogen management research program carried out at this laboratory.

Sorghum Research.—Sorghum is fourth on the list of economically important grains, behind corn, soybeans, and wheat. However, very little is known about the alternative uses of this major U.S. cash crop with an estimated value of over \$2,100,000,000. The Committee continues the fiscal year 2003 funding level for expanded research at the ARS Grain Sorghum Research Laboratory,

Manhattan, KS, on the measurement of sorghum quality and the development of alternative uses of this important crop.

Soybean Research in the South.—The Committee has continued the fiscal year 2003 funding level for the continuation of the soybean research program located at the Delta Branch Experiment Station in Stoneville, Mississippi with the USDA/ARS focusing on soybean genetics and breeding, and Mississippi Agriculture and Forestry Experiment Station devoting efforts to production systems research.

Soybean Rust.—The Committee is aware of serious concerns raised by the soybean industry due to the threat of soybean rust. Soybean rust is a fungus that first appears on the leaves of the plant and eventually causes pre-mature defoliation which brings about substantial yield loss. The Committee encourages the Agriculture Research Service to consider the submission of a re-programming request of existing funds relating to soybean research to address the threat of soybean rust.

Sudden Oak Disease Syndrome.—This is a fungus that has afflicted wood and nursery products in California and Oregon in the last several years. Very little is known on how the fungus is spread, which species are vulnerable, and how afflicted species can be treated. The Committee is concerned about the potential spread of the fungus to other parts of the country without the appropriate treatment and management of the disease. The Committee provides an increase of \$450,000 from the fiscal year 2003 level to the ARS Ft. Detrick, MD, research laboratory for research critical in stemming the spread of this disease.

Sugarbeet Research.—There are 230,000 acres of sugarbeets grown in Idaho and eastern Oregon requiring research technologies to maintain and enhance production and profitability. The Committee provides an increase of \$40,000 from the fiscal year 2003 funding level to support research to reduce irrigation and energy costs essential to sugarbeet production. This research is carried out at the ARS Kimberly, ID, research station.

Sugarcane Research.—The Committee is aware of the urgent need for ARS research to provide viable, cost-effective “green cane” harvesting methods that will provide alternatives to burning cane in the field. The Committee provides an increase of \$300,000 from the fiscal year 2003 funding level for this research to be carried out at the Houma, LA, research station.

Sustainable Olive Production.—The Committee notes the significance of olive oil as a value added product and its growing importance to farmers in the Southwest as a viable economic commodity. Research is underway to develop sustainable methods for improved olive oil production and quality in the Southwest. The Committee provides an increase of \$300,000 for fiscal year 2004 for this research at the ARS Weslaco, TX, research station.

Sweet Potato Research.—Sweet potato is a high value, nutritious, alternative crop for the Mid South. Improved production practices, including timing of planting, agronomic practices, and pest control, have the potential for doubling the level of production per acre, further increasing the profitability of this small farm crop. The Committee continues the fiscal year 2003 funding level for ARS, Stoneville, MS, to conduct research on sweet potato production in co-

operation with the Alcorn State University Demonstration Farm at Mound Bayou, MS.

Swine Lagoon Alternatives Research.—The Committee is aware of the research carried out at the ARS Florence, SC, laboratory to treat the waste on small swine farms at a reasonable cost while meeting stringent environmental regulations. The Committee continues the fiscal year 2003 funding level for this research.

Tree Fruit Industry.—The Committee is aware that the Department has been working with the U.S. tree fruit industry to develop a technology roadmap which will establish research priorities to enhance fruit quality, strengthen access by the tree fruit industry to technology advances, and ensure the U.S. tree fruit industry remains competitive in world markets. The Committee expects that a strategic plan addressing the technology roadmap and the tree fruit industry's needs, which was scheduled for completion in May 2003, will include suggestions for future research initiatives based on strong public/private collaborations. The Committee also expects that the plan will be used to evaluate program policies and new program initiatives to help the tree fruit industry remain globally competitive.

Trout Genome Mapping.—The Committee recognizes the important tools of molecular genetics and biotechnology, and their application to solve problems facing the cool and cold water aquaculture industry, which has had a flat growth profile nationally, but is an emerging industry in the Appalachian region. The Committee provides an increase of \$500,000 from the fiscal year 2003 funding level for research on cool and cold water species at the National Center for Cool and Cold Water Aquaculture, in collaboration with West Virginia University.

Tomato Spotted Wilt Virus.—The Committee is aware of the widespread losses caused by the tomato spotted wilt virus in Hawaii and encourages the agency to collaborate with and fund as appropriate University of Hawaii scientists to transfer generic resistance to tomato spotted wilt virus into University of Hawaii breeding lines for the impacted vegetable crops.

USDA-ARS New England Plant, Soil, and Water Laboratory.—The USDA-ARS New England Plant, Soil, and Water Laboratory, Orono, ME, performs a critical function that benefits not only the Maine economy, but the agriculture industry as a whole. The research performed at this laboratory—including cropping systems and management practices, efficient use of nutrients and water, and control of pathogens, insects and weeds—benefits numerous agricultural interests, most notably the potato and livestock industries.

It is especially vital to New England potato growers that this lab continue and even increase its important research. The laboratory conducts experiments to address unique challenges that face potato growers both in the region and across the Nation. Research at the Orono facility, for example, has included tracking late blight disease, a devastating epidemic that costs potato growers approximately \$3,000,000,000 annually. Of the nation-wide locations of USDA-ARS laboratories, this is the only laboratory located in New England and it should be noted that 95 percent of the potato acreage in the six New England States are in Maine where the labora-

tory has the benefit of being in close proximity to the grower's fields.

The Committee provides funding at no less than the fiscal year 2003 level to maintain the New England Plant, Soil, and Water Laboratory and research programs.

U.S. Pacific Basin Agricultural Research Center.—The Committee restores base funding not included in the Administration's budget request, and provides an increase of \$400,000 from the fiscal year 2003 level for operating the U.S. Pacific Basin Agricultural Research Center. Of the amount restored for fiscal year 2003 and the added amount provided for fiscal year 2004, one-third is for the Center to continue the recruitment and hiring of scientists and technicians at rates consistent with construction of the Center and its mission; one-third is for the University of Hawaii Hilo to increase its capacity to complement the research of the Center; and one-third is for the University of Hawaii Manoa for improving its statewide capacity to transfer research results and to communicate industry-identified needs and issues to the research community.

U.S. Vegetable Laboratory.—The Committee is aware of the important scientific staffing requirements of the newly completed U.S. Vegetable Laboratory located at Charleston, SC. Additional scientists are necessary to conduct priority research and to maximize use of the facility. An increase of \$300,000 is provided from the fiscal year 2003 level for research staffing.

Virus Free Fruit Tree Cultivars.—The Committee recognizes the need for rapid foreign and domestic exchange of varieties to sustain economic vitality of the U.S. tree fruit and nursery industries. The Committee continues the fiscal year 2003 level to implement new technologies for more rapid and dependable methods of pathogen detection and to provide secure production and maintenance of virus-free fruit tree cultivars. The collaborative research is to be carried out at the Prosser, WA research station with the Irrigated Agriculture Research and Extension Center.

Viticulture Research.—With the emerging importance of the grape and wine industry in the Pacific Northwest, the Committee continues the fiscal year 2003 funding level for the viticulture research position at the University of Idaho Parma Research and Extension Center, for research at the Center, and for cooperative research agreements with University of Idaho researchers for viticulture research.

Waste Management Research.—The Committee provides an increase of \$500,000 from the fiscal year 2003 level to the ARS for the expanded joint research project with Western Kentucky University. The cooperative program to be located and carried out at Bowling Green, KY, will be directed toward management of poultry waste as a fertilizer source for pasture, food crops, as a nutrient source for cattle, and other agricultural applications.

Water Quality/Water Use Research.—Agricultural producers in the Southeast are seeking solutions to meet reduced irrigation requirements while maintaining or enhancing their net returns. The National Peanut Research Laboratory at Dawson, GA, is conducting research to find solutions to a more restrictive water supply that impacts agriculture and rural economies in Southwest,

Georgia. The Committee continues the fiscal year 2003 level for these investigations at the Dawson laboratory.

Watershed Research, Columbia, MO.—The Committee continues the fiscal year 2003 level of funding to ARS for laboratory analysis of water samples collected during implementation of, and in accordance with, the Missouri Watershed Research, Assessment, and Stewardship Project.

Weed Management Program.—The Committee is aware of the need for biologically-based weed management, using biocontrols and revegetation to provide economical and environmentally sound technologies to control weeds. The Committee provides an increase of \$300,000 for fiscal year 2004 to develop non-chemical alternatives for weed control.

Western Grazinglands Research.—The Committee is aware of the important rangeland research program conducted at the Burns, OR, laboratory to control invasive weeds which affect the Great Basin. Research is targeted to management of rangelands, conservation, and sustainable practices. The Committee continues the fiscal year 2003 level for this research.

Western Wheat Quality Laboratory.—The Committee recognizes the important contributions made by the Western Wheat Quality Laboratory in Pullman, Washington. The Committee continues the fiscal year 2003 level to enhance its ability to handle more samples, modernize equipment, and develop new predictive quality tests.

Wheat and Barley Scab Initiative.—The Committee recognizes the importance of the research carried out through the ARS National Wheat and Barley Scab Initiative. Fusarium head blight is a major threat to agriculture, inflicting heavy losses to yield and quality on farms in 18 States. The Committee continues the fiscal year 2003 level of funding for this research.

Wind Erosion Research.—The Committee provides funding for the Wind Erosion Unit in Manhattan, KS, at the fiscal year 2003 level. The Committee directs the ARS to avoid reprogramming or routing any of the provided funds to or through other wind erosion facilities in the ARS system during fiscal year 2004.

Wine Grape Foundation Block.—The Committee is concerned about the potential for virus-infected wine grape rootstock which could cause economic harm to Pacific Northwest wine grape growers and vintners. The Committee provides an increase of \$150,000 from the fiscal year 2003 level for wine grape foundation block research at Prosser, WA.

BUILDINGS AND FACILITIES

Appropriations, 2003 ¹	\$118,703,000
Budget estimate, 2004	24,000,000
Committee recommendation	46,000,000

¹Excludes emergency wartime supplemental appropriations of \$110,000,000 provided by Public Law 108-11.

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

COMMITTEE RECOMMENDATIONS

For Agricultural Research Service, Buildings and Facilities, the Committee recommends an appropriation of \$46,000,000. This is \$72,703,000 less than the 2003 appropriation. The Committee's specific recommendations are indicated in the following table:

ARS BUILDINGS AND FACILITIES

[In thousands of dollars]

State and facility	Fiscal year—		Committee recommendation
	2003 enacted	2004 budget estimate	
Arizona: Water Conservation and Western Cotton Laboratory, Maricopa	12,220	.....	.....
District of Columbia: U.S. National Arboretum	1,689	.....	.....
Hawaii: U.S. Pacific Basin Agricultural Research Center, Hilo	2,981	.....	5,400
Idaho: Advanced Genetics Laboratory, Aberdeen	4,570	.....	.....
Iowa: National Animal Disease Center, Ames	¹ 32,786	.....	.....
Kansas: U.S. Grain Marketing and Production Research Center, Manhattan	4,252	.....	.....
Maine: Northeast Marine Cold Water Aquaculture Research Center, Orono/Franklin	9,091	.....	3,000
Maryland:			
Abraham Lincoln National Agricultural Library, Beltsville	1,490	2,000	.....
Beltsville Agricultural Research Center, Beltsville	4,153	.....	3,000
Minnesota: Cereal Disease Laboratory, St. Paul	3,179	.....	.....
Mississippi:			
Plant Propagation Facility, Oxford	1,987	.....	.....
Southern Horticultural Laboratory, Poplarville	9,140	.....	.....
Jamie Whitten Delta States Research Center, Stoneville .....	.....	.....	5,400
Missouri: National Plant and Genetics Security Center, Columbia .....	.....	.....	2,700
Montana: Northern Plains Agricultural Research Laboratory, Sidney .....	.....	.....	2,800
Oklahoma:			
Southern Plains Range Research Station, Woodward	7,948	.....	.....
Grazinglands Research Laboratory, Ft. Reno .....	.....	.....	2,400
South Carolina: U.S. Vegetable Laboratory, Charleston	1,391	.....	3,500
South Dakota: Northern Grain Insects Research Laboratory, Brookings	8,544	.....	.....
Utah: Poisonous Plant Laboratory, Logan	1,485	.....	.....
West Virginia: Appalachian Fruit Laboratory, Kearnyville	472	.....	2,000
Wisconsin:			
Cereal Crops Research Unit, Madison	8,345	.....	.....
Nutrient Management Laboratory, Marshfield	2,981	.....	4,100
Upgrade security at all ARS laboratories .....	.....	22,000	11,700
Total	^{1 2} 118,703	24,000	46,000

¹ Excludes emergency wartime supplemental appropriations of \$110,000,000 provided by Public Law 108-11.

² Totals may not add due to rounding.

The Committee provides funds for the following projects. Due to budgetary constraints, the Committee is unable to provide the full amounts required to complete construction of all projects.

U.S. Pacific Basin Agricultural Research Center.—The Committee provides funds for the completion of Phase I of the U.S. Pacific Basin Agricultural Research Center in Hawaii.

National Cold Water Marine Aquaculture Research Center.—The Committee provides \$3,000,000 toward the next phase of construction of the National Cold Water Marine Aquaculture Research Center [NCWMAC] in Orono and Franklin, Maine.

Beltsville Agricultural Research Center.—The Committee provides \$3,000,000 toward the construction of the Beltsville Agriculture Research Center in Beltsville, Maryland.

Jamie Whitten Delta States Research Center.—The Jamie Whitten Delta States Research Center is strategically located in the agriculturally important Yazoo-Mississippi River Delta. Millions of acres of cotton, soybean, rice, and corn are located in this Delta area, and the Delta leads the world in channel catfish production. The Committee provides \$5,400,000 for the completion of phase 1 of this construction and modernization project.

National Plant and Genetics Security Center.—The Committee provides \$2,700,000 to complete the planning and design phase of this project. The Committee notes that the current collaborative effort between the ARS Plant Genetics Research Unit and the University of Missouri has resulted in a nationally-recognized crop biotechnology effort in maize, soybeans, and wheat at Columbia, Missouri.

National Plains Agricultural Research Laboratory.—The Committee provides \$2,800,000 to complete construction of the next phase of the National Plains Agricultural Research Laboratory in Sidney, Montana. The Committee notes that the planned new greenhouses and improved BL-2 quarantine facility will position the Lab to better serve the region's research needs in biocontrol of invasive species, as well as improve productivity and economic viability of sustainable diverse, integrated dryland and irrigated cropping systems.

Grazinglands Research Laboratory.—The Committee provides \$2,400,000 for the completion of phases 1, 2, and 3 of the greenhouse complex at the Grazinglands Research Laboratory in Fort Reno, Oklahoma. The Committee notes that this project includes bio-containment capabilities which, when completed, will allow research on genetically-modified plants.

U.S. Vegetable Laboratory.—The Committee provides \$3,500,000 for the completion of greenhouse and headhouse construction at the U.S. Vegetable Laboratory in Charleston, South Carolina.

Appalachian Fruit Laboratory.—The Committee provides \$2,000,000 toward renovation and repair of the Appalachian Fruit Laboratory in Kearneysville, West Virginia.

Nutrient Management Laboratory.—The Committee provides funds for the completion of Phase I of the Nutrient Management Laboratory in Marshfield, Wisconsin.

The Committee has provide \$11,700,000 for physical security upgrades at ARS facilities. Prior to the obligation of funds, the Committee directs the Department to provide a report to the Committee which describes those locations for which physical security needs have been identified, as well as the locations for purposes for which funds will be allocated.

The Committee notes that the ARS Analytical Services Laboratory and other labs in the University of Wyoming's biological research building are involved in research into plague, rabbit fever, Brucellosis, Q fever, and regularly receive suspect cases of anthrax. The Committee suggests that some of these funds should be used to harden the facility by designating a secure select agent labora-

tory, acquiring security clearances for faculty and technicians, and renovating the building to make it more secure.

The Committee notes that there is widespread interest in additional construction and renovation of ARS facilities throughout the country. This is not surprising when considering the fact that many of the existing facilities are decades old. Therefore, the Committee is requesting the assistance of ARS in determining the merits and priority for these requests.

The Committee notes that \$11,700,000 has been provided in this account for security upgrades at all ARS laboratories. The Committee also notes that several of the following construction projects have been described by various ARS officials as top priorities. Therefore, if ARS determines that any of the following projects merit action in fiscal year 2004, these funds may be used for site acquisition, design, or construction. Should ARS exercise this authority, the Committee expects to be notified of the projects selected for such action.

Aberdeen / Billingsley Creek, Idaho.—The Committee directs ARS to provide a report on the feasibility, requirements, and scope for construction of an ARS trout farm facility at Billingsley Creek, Idaho which would include concrete raceways and a pond/tank research complex. The report should detail building size, cost, associated facilities, scientific capacity, and other requirements. The report should also detail existing and planned program and resource requirements for this location, and should be submitted to the Committee on Appropriations of the House and Senate by March 1, 2004.

Animal Waste Management Research.—The Committee has been made aware of the need for an animal waste management research laboratory in Bowling Green, Kentucky. The Committee directs ARS to provide a report on the feasibility, requirements, and scope for construction of an ARS facility in that location. The report should detail building size, cost, associated facilities, scientific capacity, and other requirements for collaboration with Western Kentucky University. The report should also detail existing and planned program and resource requirements for this location, and should be submitted to the Committee on Appropriations of the House and Senate by March 1, 2004.

Forage-Animal Research Laboratory.—The Committee has been made aware of the need for a facility to accommodate existing scientists and the expanding forage-animal production research program at Lexington, Kentucky. The Committee directs ARS to provide a report on the feasibility, requirements, and scope for the construction of such an ARS facility at that location. The report should detail building size, cost, associated facilities, scientific capacity, and other requirements for collaboration with the University of Kentucky. The report should also detail existing and planned program and resource requirements for this location, and should be submitted to the Committee on Appropriations of the House and Senate by March 1, 2004.

Starksville, Mississippi.—The Committee has been made aware of the need for a state-of-the-art laboratory and office facilities to house ARS and Mississippi Agricultural and Forestry Experiment Station [MAFES] scientists. The Committee directs ARS to provide

a report on the feasibility, requirements, and scope for construction of an ARS facility at this location. The report should detail building size, cost, associated facilities, scientific capacity, and other requirements for collaboration with the Mississippi State University. The report should also detail existing and planned program and resource requirements for this location, and should be submitted to the Committee on Appropriations of the House and Senate by March 1, 2004.

Vivarium and Animal Disease Research.—The Committee has been made aware of the need for a vivarium and animal disease research facility at Mississippi State University. The Committee directs ARS to provide a report on the feasibility, requirements, and scope for construction of an ARS facility at that location. The report should detail building size, cost, associated facilities, scientific capacity, and other requirements for collaboration with the Mississippi State University. The report should also detail existing and planned program and resource requirements for this location, and should be submitted to the Committee on Appropriations of the House and Senate by March 1, 2004.

Animal Biosciences Facility.—The Committee is aware of the need for an animal bioscience facility at Montana State University to provide a collaborative environment to allow investigators from different disciplines to study issues related to cutting-edge biobased food science and technology as well as animal science. The Committee directs ARS to provide a report on the feasibility, requirements, and scope for construction of an ARS facility at that location. The report should also detail building size, cost, associated facilities, scientific capacity, and other requirements for collaboration with Montana State University. The report should detail existing and planned program and resource requirements for this location, and should be submitted to the Committee on Appropriations of the House and Senate by March 1, 2004.

Red River Valley, North Dakota.—The Committee has been made aware of needs for improvements at the Red River Valley Agricultural Research Center in Fargo, North Dakota. The Committee directs ARS to provide a report on the feasibility, requirements, and scope for facility needs at this location. The report should detail any expansion of building size, costs, associated facilities, scientific capacity, and other requirements for operations. The report should also detail existing and planned program and resource requirements for this location, and should be submitted to the Committee on Appropriations for the House and Senate by March 1, 2004.

University of Toledo.—The Committee has been made aware of the need for an ARS laboratory, greenhouse, and office space for USDA scientists involved in the greenhouse study at the University of Toledo. The Committee directs ARS to provide a report on the feasibility, requirements, and scope for the construction of an ARS facility at this location. The report should detail building size, cost, associated facilities, scientific capacity, and other requirements for collaboration with the University of Toledo. The report should also detail existing and planned program and resource requirements for this location, and should be submitted to the Committee on Appropriations of the House and Senate by March 1, 2004.

Dairy Forage Lab.—The Committee has been made aware of improvement needs at Dairy Forage Laboratory facility locations at Prairie du Sac and Madison, Wisconsin. The Committee directs ARS to provide a report on the feasibility, requirements, and scope for facility needs at these locations. The report should detail any expansion of building size, costs, associated facilities, scientific capacity, and other requirements for operations. The report should also detail existing and planned program and resource requirements for these locations, and should be submitted to the Committee on Appropriations for the House and Senate by March 1, 2004.

COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE

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

RESEARCH AND EDUCATION ACTIVITIES

Appropriations, 2003	\$616,792,000
Budget estimate, 2004	514,228,000
Committee recommendation	617,575,000

The research and education programs administered by the Cooperative State Research, Education, and Extension Service [CSREES] are the U.S. Department of Agriculture's principal entrée to the university system of the United States to support higher education in food and agricultural sciences and to conduct agricultural research as authorized by the Hatch Act of 1887 (7 U.S.C. 361a–361i); the Cooperative Forestry Research Act of 1962 (16 U.S.C. 582a–7); Public Law 89–106, section (2) (7 U.S.C. 450i); the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101 et seq.); the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301); the Agricultural Research, Extension and Education Reform Act of 1998; and the Farm Security and Rural Investment Act of 2002. Through these authorities, the U.S. Department of Agriculture participates with State and other cooperators to encourage and assist the State institutions to conduct agricultural research and education through the State agricultural experiment stations of the 50 States, the District of Columbia, and the territories; by approved schools of forestry; by the 1890 land-grant institutions and Tuskegee University; by colleges of veterinary medicine; and by other eligible institutions.

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

COMMITTEE RECOMMENDATIONS

For research and education activities of the Cooperative State Research, Education, and Extension Service, the Committee recommends \$617,575,000. This amount is \$783,000 more than the fiscal year 2003 appropriation. This does not include an increase of \$51,000 for FECA administrative charges, as requested in the budget.

The following table summarizes the Committee's recommendations for research and education activities of the Cooperative State Research, Education, and Extension Service, as compared to the fiscal year 2003 and budget request levels:

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

[In thousands of dollars]

	2003 appropriation	2004 budget	Committee recommendation
Payments under Hatch Act	178,977	180,148	178,977
Cooperative forestry research (McIntire-Stennis)	21,742	21,884	21,742
Payments to 1890 colleges and Tuskegee University	35,411	36,000	35,411
Special research grants (Public Law 89-106):			
Advanced genetic technologies (KY)	671	.....	671
Advanced spatial technologies (MS)	983	.....	983
Aegilops cylindricum (WA, ID)	381	.....	342
Agricultural diversification (HI)	127	.....	127
Agricultural diversity—Red River Trade Corridor (MN, ND)	497	.....	497
Agricultural science (OH)	497	.....	497
Agriculture water usage (GA)	291	.....	261
Agroecology (MD)	397	.....	397
Air quality (TX, KS)	869	.....	869
Alliance for food protection (GA, NE)	298	.....	268
Alternative crops (ND)	199	.....	.....
Alternative nutrient management (VT)	185	.....	166
Alternative salmon products (AK)	627	.....	631
Alternative uses for tobacco (MD)	358	.....	358
Animal disease research (WY)	248	.....	248
Animal science food safety consortium (AR, IA, KS)	1,604	.....	1,614
Apple Fire Blight (MI, NY)	492	.....	442
Aquaculture (AR)	230	.....	172
Aquaculture (ID, WA)	770	.....	693
Aquaculture (LA)	328	.....	350
Aquaculture (MS)	582	.....	582
Aquaculture (NC)	291	.....	261
Aquaculture (VA)	124	.....	111
Aquaculture product and marketing development (WV)	735	.....	750
Armillaria root rot (MI)	159	.....	143
Asparagus technology and production (WA)	278	.....	278
Babcock Institute (WI)	596	.....	600
Beef technology transfer (MO)	292	.....	292
Berry research (AK)	199	.....	200
Biobased nanocomposite research (ND) .....	.....	.....	199
Biomass-based energy research (OK, MS)	1,143	.....	1,143
Biotechnology (NC)	304	.....	228
Biotechnology test production (IA)	199	.....	199
Blocking anhydrous methamphetamine production (IA)	240	.....	.....
Bovine tuberculosis (MI)	346	.....	311
Brucellosis vaccine (MT)	490	.....	490
Center for Food Quality (UT)	149	.....	.....
Center for Public Lands and Rural Economies (UT) .....	.....	.....	250
Center for Rural Studies (VT)	338	.....	338
Chesapeake Bay agroecology/pfisteria initiative (MD)	318	.....	318
Childhood obesity and nutrition (VT)	149	.....	149

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

[In thousands of dollars]

	2003 appropriation	2004 budget	Committee recommendation
Citrus canker (FL)	487	.....	.....
Citrus tristeza (CA)	720	.....	.....
Competitiveness of agriculture products (WA)	676	.....	676
Computational agriculture (NY)	248	.....	.....
Cool season legume research (ID, WA, ND)	334	.....	600
Cotton fiber quality (GA)	397	.....	397
Council for Agriculture Science and Technology .....	.....	.....	150
Cranberry/blueberry (MA)	171	.....	171
Cranberry/blueberry disease and breeding (NJ)	234	.....	234
Crop diversification (MO)	795	.....	397
Crop integration and production (SD)	273	.....	300
Crop pathogens (NC)	199	.....	199
Dairy and meat goat research (TX)	63	.....	63
Dairy farm profitability (PA)	497	.....	497
Delta rural revitalization (MS)	204	.....	204
Designing foods for health (TX)	820	.....	820
Diaprepes/root weevil (FL)	447	.....	.....
Dietary intervention (OH)	248	.....	.....
Drought mitigation (NE)	224	.....	224
Drought management (UT) .....	.....	.....	750
Efficient irrigation (NM, TX)	1,490	.....	1,490
Environmental biotechnology (RI)	596	.....	596
Environmental research (NY)	392	.....	.....
Environmental risk factors/cancer (NY)	221	.....	.....
Environmentally-safe products (VT)	243	.....	243
Ethnobotany research (AK) .....	.....	.....	300
Exotic pest diseases (CA)	1,888	.....	2,000
Expanded wheat pasture (OK)	308	.....	277
Farm injuries and illnesses (NC)	276	.....	138
Feed barley for rangeland cattle (MT)	828	.....	828
Feed efficiency in cattle (FL)	248	.....	.....
Feedstock conversion (SD)	556	.....	750
Fish and shellfish technologies (VA)	462	.....	415
Floriculture (HI)	397	.....	397
Food chain economic analysis (IA)	50	.....	250
Food and Agriculture Policy Research Institute (IA, MO)	1,515	.....	1,515
Food irradiation (IA)	243	.....	.....
Food Marketing Policy Center (CT)	487	.....	487
Food processing center (NE)	42	.....	.....
Food quality (AK)	348	.....	350
Food safety (AL)	1,118	.....	1,118
Food safety (OK)	621	.....	558
Food safety (TX)	199	.....	199
Food safety research consortium (NY)	894	.....	.....
Food safety risk assessment (ND)	1,341	.....	1,650
Food security (WA)	447	.....	402
Food Systems Research Group (WI)	546	.....	550
Forages for advancing livestock production (KY)	431	.....	431
Forestry (AR)	509	.....	458
Functional genomics (UT) .....	.....	.....	1,500
Future foods (IL)	248	.....	300
Generic commodity promotions, research, and evaluation (NY) ..	194	.....	.....
Genomics (MS)	715	.....	715
Global change/ultraviolet radiation	2,235	2,500	2,235
Grain sorghum (KS)	139	.....	139
Grapefruit juice/drug interaction (FL)	248	.....	.....
Grass seed cropping systems for sustainable agriculture (ID, OR, WA)	454	.....	408
Grazing research (WI) .....	.....	.....	250
Greenhouse nurseries (OH)	149	.....	.....
Greenhouse crop production (AK) .....	.....	.....	500

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

[In thousands of dollars]

	2003 appropriation	2004 budget	Committee recommendation
Hispanic leadership in agriculture (TX)	447	.....	.....
Hoop barns (IA)	209	.....	325
Horn fly research (AL) .....	.....	.....	150
Human nutrition (IA)	727	.....	732
Human nutrition (LA)	795	.....	715
Human nutrition (NY)	611	.....	.....
Hydroponic tomato production (OH)	99	.....	.....
Improved dairy management practices (PA)	397	.....	397
Improved early detection of crop disease (NC)	193	.....	.....
Improved fruit practices (MI)	237	.....	213
Increasing shelf life of agricultural commodities (ID)	790	.....	790
Infectious disease research (CO)	745	.....	745
Institute for biobased products and food science (MT)	596	.....	596
Institute for Food Science and Engineering (AR)	1,214	.....	1,214
Integrated production systems (OK)	231	.....	207
Intelligent quality sensor for food safety (ND)	358	.....	.....
International arid lands consortium	514	.....	650
Iowa Biotechnology Consortium	1,754	.....	1,765
Leopold Center hypoxia project .....	.....	.....	250
Livestock and dairy policy (NY, TX)	600	.....	540
Waste .....	.....	.....	150
Livestock genome sequencing (IL)	447	.....	.....
Livestock waste (IA) .....	.....	.....	300
Lowbush blueberry research (ME)	263	.....	263
Maple research (VT)	149	.....	149
Meadowfoam (OR)	293	.....	219
Michigan biotechnology consortium	624	.....	468
Midwest Advanced Food Manufacturing Alliance (NE)	477	.....	429
Midwest agricultural products (IA)	628	.....	646
Midwest poultry consortium (IA)	695	.....	700
Milk safety (PA)	745	.....	745
Minor use animal drugs (IR-4)	584	588	588
Molluscan shellfish (OR)	392	.....	284
Montana sheep institute (MT)	556	.....	556
Missouri Alliance for Biotechnology	1,206	.....	603
Multi-commodity research (OR)	397	.....	297
Multi-cropping strategies for aquaculture (HI)	123	.....	123
National beef cattle genetic evaluation consortium (NY, CO)	668	.....	668
National biological impact assessment program	251	253	251
National Center for Soybean Technology (MO) .....	.....	.....	1,000
Nematode resistance genetic engineering (NM)	146	.....	146
Nevada arid rangelands initiative (NV)	522	.....	522
New crop opportunities (AK)	487	.....	500
New crop opportunities (KY)	737	.....	737
Non-food uses of agricultural products (NE)	64	.....	.....
Nursery, greenhouse, and turf specialties (AL)	308	.....	285
Oil resources from desert plants (NM)	224	.....	224
Olive Fly (CA)	40	.....	.....
Organic cropping (WA)	124	.....	250
Organic waste utilization (NM)	99	.....	99
Oyster post harvest treatment (FL)	447	.....	.....
Ozone air quality (CA)	427	.....	427
Pasture and forage research (UT)	246	.....	250
Peach tree short life (SC)	260	.....	260
Perennial wheat (WA)	149	.....	.....
Pest control alternatives (SC)	303	.....	303
Phytophthora root rot (NM)	184	.....	184
Pierce's disease (CA)	2,235	.....	2,250
Plant biotechnology (IA)	248	.....	.....
Plant, drought, and disease resistance gene cataloging (NM)	245	.....	245
Potato research	1,574	.....	1,416

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

[In thousands of dollars]

	2003 appropriation	2004 budget	Committee recommendation
Precision agriculture (KY)	737	.....	737
Preharvest food safety (KS)	207	.....	207
Preservation and processing research (OK)	223	.....	200
Protein utilization (IA)	422	.....	750
Rangeland ecosystems (NM)	318	.....	318
Regional barley gene mapping project	755	.....	679
Regionalized implications of farm programs (MO,TX)	318	.....	286
Rice Agronomy (MO)	199	.....	.....
Ruminant nutrition consortium (MT, ND, SD, WY)	447	.....	500
Rural Development Centers (ND, LA)	176	.....	132
Rural obesity (NY)	199	.....	.....
Rural Policies Research Institute (NE, IA, MO)	1,262	.....	1,262
Russian wheat aphid (CO)	318	.....	318
Satsuma mandarin orange research (AL)	894	.....	.....
Seafood and aquaculture harvesting, processing, and mar- keting (MS)	301	.....	301
Seafood harvesting, processing, and marketing (AK)	1,192	.....	1,192
Seafood safety (MA)	422	.....	422
Seed research (AK)	323	.....	400
Seed technology (SD) .....	.....	.....	350
Small fruit research (OR, WA, ID)	397	.....	397
Soil and environmental quality (DE)	129	.....	129
Southwest consortium for plant genetics and water resources ..	389	.....	389
Soybean cyst nematode (MO)	688	.....	.....
Soybean research (IL)	844	.....	844
STEEP III—water quality in Pacific Northwest	666	.....	666
Sudden oak death (CA)	99	.....	99
Sustainable agriculture (CA)	497	.....	.....
Sustainable agriculture (MI)	432	.....	432
Sustainable agriculture and natural resources (PA)	149	.....	149
Sustainable agriculture systems (NE)	59	.....	.....
Sustainable beef supply (MT)	994	.....	994
Sustainable engineered materials from renewable resources (VA)	596	.....	596
Sustainable pest management for dryland wheat (MT)	449	.....	449
Swine waste management (NC)	492	.....	492
Synthetic gene technology (OH)	167	.....	.....
Technological development of renewable resources (MO)	295	.....	.....
Tick borne disease prevention (RI)	99	.....	99
Tillage, silviculture, and waste management (LA)	422	.....	379
Tropical aquaculture (FL)	238	.....	.....
Tropical and subtropical research/T STAR	8,942	.....	4,471
Tri-State joint peanut research (AL)	596	.....	596
Uniform farm management program (MN)	298	.....	298
Value-added product development from agricultural resources (MT)	409	.....	409
Value-added products (IL)	149	.....	.....
Virtual plant database enhancement project (MO) .....	.....	.....	750
Viticulture consortium (NY, CA, PA)	1,788	.....	1,788
Water conservation (KS)	78	.....	79
Water treatment (RI)	149	.....	.....
Water use efficiency and water quality enhancement (GA)	536	.....	482
Weed control (ND)	432	.....	432
West Nile virus (IL)	373	.....	750
Wetland plants (LA)	596	.....	336
Wheat genetic research (KS)	263	.....	263
Wheat sawfly research (MT)	502	.....	502
Wood utilization (AK, OR, MS, MN, NC, ME, MI, ID, TN, WV)	6,130	.....	6,786
Wool research (TX, MT, WY)	292	.....	292

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

[In thousands of dollars]

	2003 appropriation	2004 budget	Committee recommendation
Total, special research grants	111,534	3,341	101,637
Improved pest control:			
Expert IPM decision support system	176	177	176
Integrated pest management	2,707	2,725	2,707
IR-4 minor crop pest management	10,673	10,485	10,485
Pest management alternatives	1,608	1,619	1,608
Total, Improved pest control	15,164	15,006	14,976
National Research Initiative	166,045	200,000	180,000
Animal health and disease (sec. 1433)	5,065	5,098	5,065
Alternative crops	1,188		840
Critical Agricultural Materials Act	1,242		1,242
1994 Institutions research program	1,093	998	1,093
Joe Skeen Institute for Rangeland Management (NM, TX, MT)	993		1,000
Institution challenge grants	4,888	5,500	4,888
Graduate fellowships grants	3,222	4,500	3,222
Multicultural scholars program	992	998	992
Hispanic education partnership grants	4,073	3,492	4,073
Capacity building grants (1890 Institutions)	11,404	9,479	11,404
Payments to the 1994 Institutions	1,689	2,250	1,689
Alaska Native-serving and Native Hawaiian-serving Institutions edu- cation grants	3,477	2,997	3,500
Secondary agriculture education	994	1,000	994
Sustainable agriculture research and education/SARE	13,661	9,230	13,661
Aquaculture centers (sec. 1475)	4,471	3,996	4,471
Federal administration:			
Agriculture-based industrial lubricants (IA)	447		450
Agriculture development in the American Pacific	548		548
Agriculture waste utilization (WV)	686		690
Agriculture water policy (GA)	710		710
Alternative fuels characterization laboratory (ND)	300		300
Animal waste management (OK)	333		299
Aquaculture (OH)	447		447
Aquaculture (PA)	248		248
Biotechnology (MS)	745		745
Botanical research (UT)	636		886
Center for Agricultural and Rural Development (IA)	671		250
Center for Food Industry Excellence (TX)	248		
Center for innovative food technology (OH)	760		
Center for North American studies (TX)	199		199
Climate forecasting (FL)	894		
Cotton research (TX)	1,182		1,182
Data information system	2,732	2,750	2,732
Electronic grants administration system	2,235	2,173	2,173
FECA surcharge		51	
Feed efficiency (WV)	159		160
Fruit and vegetable market analysis (AZ, MO)	338		
Geographic information system	1,391		1,600
Germplasm development in forage grasses (OH)	99		
High value horticultural crops (VA)	248		248
Information technology (GA)	248		
Livestock marketing information center (CO)	195		195
Mariculture (NC)	358		322
Mississippi Valley State University	1,043		1,043
Office of Extramural Programs	445	448	445
Pasteurization of shell eggs	248		
Pay costs and FERS	2,081	2,540	2,540
Peer panels	347	349	349
Phytoremediation plant research (OH)	636		636

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

[In thousands of dollars]

	2003 appropriation	2004 budget	Committee recommendation
PM-10 air quality study (WA)	435	.....	435
Precision agriculture/Tennessee Valley Research and Extension Center (AL)	477	.....	650
Produce pricing (AZ)	79	.....	.....
Rural systems (MS)	348	.....	348
Salmon quality standards (AK)	139	.....	150
Shrimp aquaculture (AZ, HI, LA, MA, MS, SC, TX)	4,187	.....	4,187
Sustainable agriculture development (OH)	497	.....	.....
The Land Institute (KS) .....	.....	.....	100
Urban silviculture (NY)	239	.....	.....
Vitis gene discovery (MO) .....	.....	.....	400
Water pollutants (WV)	596	.....	600
Water quality (ND)	431	.....	431
Wetland plants (WV)	179	.....	.....
Total, federal administration	29,466	8,311	26,698
Total, CSREES R&E	616,792	514,228	617,575

Hatch Act.—The Committee acknowledges the beneficial impact Hatch Act funding has on land-grant universities. Hatch Act provides the base funds necessary for higher education and research involving agriculture. The Committee recommends a funding level of \$178,977,000 for payments made under the Hatch Act.

Special Research Grants Under Public Law 89-106.—The Committee recommends a total of \$100,486,000. Specifics of individual grant allowances are included in the table above. Special items are discussed below.

The Committee is aware of the need for special research grants in order to conduct research to facilitate or expand promising breakthroughs in areas of food and agricultural sciences that are awarded on a discretionary basis. In addition to these grants, the Committee believes research should be supplemented by additional funding that is obtained on a competitive basis.

Alternative Milk Policies.—The Committee that directs that of funds made available to the Food and Agriculture Policy Research Institute, \$250,000 shall be provided for collaborative work between the University of Missouri and the University of Wisconsin/Madison, for an analysis of dairy policy changes, including trade related matters, and assist Congress in making policy decisions. This project will be a one-stop shop for Congressional requests for analysis of alternative dairy policies.

Aquaculture Centers.—The Committee recommends \$4,471,000, the same as the fiscal year 2003 level.

The Committee is aware of and supports aquaculture research efforts at the University of Wisconsin-Milwaukee Great Lakes Wisconsin Aquatic Technology and Environmental Research Institute that is carried out in collaboration with the North Central Regional Aquaculture Center.

Technology Transfer.—The Committee directs CSREES to continue to support at the fiscal year 2003 level the cotton technology transfer coordinator at Stoneville, MS.

Aquaculture (MS).—Of the \$582,000 provided for this grant, the Committee recommends at least \$90,000 for continued studies of the use of acoustics in aquaculture research to be conducted by the National Center for Physical Acoustics in cooperation with the Mississippi Agricultural and Forestry Experiment Station [MAFES] and the Delta Research and Extension Center in Stoneville.

Future Foods Initiative.—The Committee has provided \$300,000 for the Future Foods Initiative at the University of Illinois, Urbana-Champaign. The Committee expects the University to use a portion of the funds for research and programs associated with the World Food and Health Center.

International Arid Lands Consortium.—The Committee has provided an additional \$136,000 for the International Arid Lands Consortium for a joint initiative with Hands Together to implement a water development plan, for drinking and irrigation water, in the Artibonite region of Haiti.

Midwest Agricultural Products [MATRIC].—The Committee directs the Department to allocate the designated funds for MATRIC equally between Iowa State University and the Greater Des Moines Partnership.

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

Wood Utilization Research.—The Committee recommends \$6,786,000 for wood utilization research. Of this amount \$500,000 is made available for the Mississippi Forest and Wildlife Research Center to conduct forest inventories. In addition, of this amount, \$500,000 is made available to include West Virginia in this program.

Competitive Research Grants.—The Committee supports the National Research Initiative Competitive Grants Program [NRI] and provides funding of \$180,000,000 for the program, an increase of \$13,955,000 from the fiscal year 2003 level. The Committee includes a general provision to make 20 percent of these funds available for a program under the same terms and conditions as those provided in Section 401 of the Agricultural Research, Extension, and Education Reform Act of 1998.

The Committee remains determined to see that quality research and enhanced human resources development in the agricultural and related sciences be a nationwide commitment. Therefore, the Committee continues its direction that not less than 10 percent of the competitive research grant funds be used for USDA's agricultural research enhancement awards program (including USDA-EPSCoR), in accordance with 7 U.S.C. 450i.

Alternative Crops.—The Committee recommends \$840,000 for alternative crop research to continue and strengthen research efforts on canola, the same as the fiscal year 2003 level.

Sustainable Agriculture.—The Committee recommends \$13,661,000 for sustainable agriculture, the same as the fiscal year 2003 level.

Higher Education.—The Committee recommends \$28,837,000 for higher education. The Committee provides \$3,222,000 for graduate

fellowships; \$4,888,000 for challenge grants; \$992,000 for multicultural scholarships; \$4,073,000 for grants for Hispanic education partnership grants; and \$3,500,000 for Alaska Native-serving and Native Hawaiian-serving institutions.

The Committee notes that the Department’s higher education multicultural scholars program enhances the mentoring of scholars from under-represented groups. The Committee directs the Department to ensure that Alaska Natives participate fully in this program.

Alaska Native-Serving and Native Hawaiian-Serving Institutions Education Grants.—The Committee provides \$3,500,000 for non-competitive grants to individual eligible institutions or consortia of eligible institutions in Alaska and in Hawaii, with grant funds to be awarded equally between Alaska and Hawaii to carry out the programs authorized in 7 U.S.C. 3242 (Section 759 of Public Law 106–78). The Committee directs the agency to fully comply with the use of grant funds as authorized.

Federal Administration.—The Committee provides \$26,698,000 for Federal administration. The Committee’s specific recommendations are reflected in the table above.

Geographic Information System Program.—The Committee recommends \$1,600,000, an increase of \$209,000 from the fiscal year 2003 level, for the Geographic Information System Program. The Committee recommends the amount provided shall be made available for program activities of entities in the same areas as in 2003 on a proportional basis. In addition, it is expected that program management costs will be kept at a minimum and any remaining funds will be distributed to the sites.

The Land Institute.—The Committee recognizes the goals of research to develop a variety of diverse perennial grain crops that could help prevent soil erosion and water pollution while still producing good grain yields. The Committee provides \$100,000 for Natural Systems Agriculture at The Land Institute in Salina, Kansas, for this purpose.

NATIVE AMERICAN INSTITUTIONS ENDOWMENT FUND

Appropriations, 2003	\$7,054,000
Budget estimate, 2004	9,000,000
Committee recommendation	9,000,000

The Native American Institutions Endowment Fund authorized by Public Law 103–382 provides an endowment for the 1994 land-grant institutions (31 tribally controlled colleges). This program will enhance educational opportunity for Native Americans by building educational capacity at these institutions in the areas of student recruitment and retention, curricula development, faculty preparation, instruction delivery systems, and scientific instrumentation for teaching. Beginning with 2001, income funds are also available for facility renovation, repair, construction, and maintenance. On the termination of each fiscal year, the Secretary shall withdraw the income from the endowment fund for the fiscal year, and after making adjustments for the cost of administering the endowment fund, distribute the adjusted income as follows: 60 percent of the adjusted income from these funds shall be distributed among the 1994 land-grant institutions on a pro rata basis, the

proportionate share being based on the Indian student count; and 40 percent of the adjusted income shall be distributed in equal shares to the 1994 land-grant institutions.

COMMITTEE RECOMMENDATIONS

For the Native American Institutions Endowment Fund, the Committee recommends \$9,000,000. This amount is \$1,946,000 more than the fiscal year 2003 appropriation.

EXTENSION ACTIVITIES

Appropriations, 2003	\$450,520,000
Budget estimate, 2004	422,268,000
Committee recommendation	450,084,000

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

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

COMMITTEE RECOMMENDATIONS

For extension activities of the Cooperative State Research, Education, and Extension Service, the Committee recommends an appropriation of \$450,084,000. This amount is \$436,000 less than the fiscal year 2003 appropriation. This amount does not include an increase of \$46,000 for FECA administrative charges, as requested in the budget.

The following table summarizes the Committee's recommendations for extension activities, as compared to the fiscal year 2003 and budget request levels:

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

[In thousands of dollars]

	Fiscal year 2003 enacted	Fiscal year 2004 budget	Committee recommendation
Smith Lever 3(b) and 3(c)	279,390	275,940	279,390
Smith Lever 3(d):			
Farm safety	5,489	.....	5,489
Food and nutrition education [EFNEP]	58,185	60,909	58,185
Indian reservation agents	1,983	1,996	1,983
Pest management	10,689	10,759	10,689
Sustainable agriculture	4,843	3,792	4,843

COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE [CSREES]—EXTENSION
ACTIVITIES—Continued
[In thousands of dollars]

	Fiscal year 2003 enacted	Fiscal year 2004 budget	Committee recommendation
Youth at risk	8,426	8,481	8,426
Youth farm safety education and certification	496	499	496
1890 colleges and Tuskegee University	31,908	32,117	31,908
1890 facilities grants	14,903	13,500	14,903
Extension services at 1994 institutions	3,365	3,273	3,273
Grants to Youth Organizations	2,981	.....	2,981
Renewable resources extension act	4,516	4,093	4,516
Rural health and safety education	2,605	.....	2,605
Subtotal	429,779	415,359	429,687
Federal administration and special grants:			
Ag in the classroom	695	750	695
Agricultural and entrepreneurship education (WI)	129	.....	130
Agricultural telecommunications (NY)	380	.....	.....
Alabama beef connection	124	.....	375
Beef producers improvement (AR)	194	.....	174
Botanical garden initiative (IL)	238	.....	.....
Conservation technology transfer (WI)	497	.....	500
Dairy education (IA)	233	.....	235
Dairy industry revitalization (WI)	219	.....	220
Diabetes detection, prevention (WA)	918	.....	918
E-Commerce (MS)	373	.....	373
Efficient irrigation (NM/TX)	2,027	.....	2,027
Entrepreneurial alternatives (PA)	248	.....	.....
Extension specialist (MS)	149	.....	149
Family farm beef industry network (OH)	1,377	.....	.....
FECA .....	.....	46	.....
Food animal residue avoidance database/FARAD	795	.....	795
Food preparation and marketing (AK)	298	.....	300
Food product development (AK)	447	.....	450
General administration and pay	5,643	6,113	6,113
Health education leadership (KY)	894	.....	894
Income enhancement demonstration (OH)	239	.....	.....
Iowa vitality center (IA)	278	.....	280
National Center for Agriculture Safety (IA)	197	.....	250
National Wild Turkey Federation .....	.....	.....	250
Nursery production (RI)	248	.....	.....
Nutrition enhancement (WI) .....	.....	.....	1,000
Ohio-Israel Agriculture Initiative .....	.....	.....	600
Oquirrh Institute .....	.....	.....	300
Pilot technology transfer (WI)	162	.....	.....
Pilot technology transfer (OK, MS)	336	.....	336
Potato pest management (WI)	298	.....	300
Range improvement (NM)	243	.....	243
Resilient communities (NY)	124	.....	.....
Rural business enhancement (WI) .....	.....	.....	200
Rural development (AK)	695	.....	700
Rural development (ND)	99	.....	.....
Rural development (NM)	392	.....	392
Rural technologies (HI, WI)	695	.....	348
Urban horticulture (WI)	536	.....	650
Urban market development (NY)	124	.....	.....
Web-based agriculture classes (MO) .....	.....	.....	200
Wood biomass as alternative farm product (NY)	194	.....	.....
Subtotal, federal administration	20,741	6,909	20,397
Total, Extension activities	450,520	422,268	450,084

Conservation Technology Transfer.—Of the funds provided for Conservation Technology Transfer, the Committee provides \$200,000 for a nutrient management and conservation education program to meet the needs of the Wisconsin comprehensive nutrient management program in cooperation with Professional Dairy Producers of Wisconsin, Dairy Business Association, and others. In addition, the Committee provides \$300,000 for the Dairy Discovery Farm Program.

Farm Safety.—Of the funds recommended for farm safety, the Committee recommends a funding level of \$4,200,000 for the AgrAbility project being carried out in cooperation with the National Easter Seal Society.

Potato Pest Management.—Of the funds provided for Potato Pest Management, the Committee provides \$150,000 for the ongoing effort between the University of Wisconsin, World Wildlife Fund, and Wisconsin Potato and Vegetable Growers Association. The Committee also directs \$150,000 for an ongoing project with the University of Wisconsin for pesticide use reduction efforts for other commodities.

Rural Business Enhancement.—The Committee provides \$200,000 to the University of Wisconsin at Platteville for collaborative work with the University of Wisconsin Extension.

Urban Horticulture.—Of the funds provided for Urban Horticulture, the Committee directs \$200,000 for University of Wisconsin Extension activities, \$200,000 for a regional diagnostic center at Boerner Botanical Gardens, and \$250,000 for Growing Power of Milwaukee, Wisconsin.

INTEGRATED ACTIVITIES

Appropriations, 2003	\$46,439,000
Budget estimate, 2004	62,865,000
Committee recommendation	46,711,000

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 Regional Pest Management Centers programs previously funded under Research and Education and/or Extension Activities are included under this account, as well as new programs that support integrated or multifunctional projects.

COMMITTEE RECOMMENDATIONS

For integrated activities of the Cooperative State Research, Education, and Extension Service, the Committee recommends \$46,711,000. This amount is \$272,000 more than the fiscal year 2003 level.

The following table summarizes the Committee’s recommendations for integrated activities:

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

[In thousands of dollars]

	Fiscal year 2003 enacted	Fiscal year 2004 budget	Committee recommendation
Critical Issues—Plant & Animal Diseases	497	2,500	497
Crops at Risk from FQPA: Implementation	1,487	1,497	1,487
Food Safety	14,870	14,967	14,870
FQPA Risk Mitigation Program for Major Food Crop Systems	4,857	4,889	4,857
Homeland Security		16,000	
International Science & Education Grants	497	1,000	497
Methyl Bromide Transition Program	3,229	2,498	3,500
Organic Transition Program	2,111	499	2,111
Regional Pest Management Centers	4,502	4,531	4,502
Rural Development Centers	1,503	1,513	1,503
Water Quality	12,887	12,971	12,887
Total	46,439	62,865	46,711

OUTREACH FOR SOCIALLY DISADVANTAGED FARMERS

Appropriations, 2003	\$3,470,000
Budget estimate, 2004	4,003,000
Committee recommendation	3,470,000

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 on other agriculturally-related services to socially disadvantaged farmers and ranchers in their area of influence. Also eligible are the 1890 land-grant colleges, Tuskegee University, Indian tribal community colleges, and Hispanic-serving postsecondary education facilities.

COMMITTEE RECOMMENDATIONS

For outreach for socially disadvantaged farmers, the Committee recommends an appropriation of \$3,470,000. This amount is the same as the fiscal year 2003 appropriation.

OFFICE OF THE UNDER SECRETARY FOR MARKETING AND
REGULATORY PROGRAMS

Appropriations, 2003	\$721,000
Budget estimate, 2004	791,000
Committee recommendation	736,000

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 RECOMMENDATIONS

For the Office of the Under Secretary for Marketing and Regulatory Programs, the Committee recommends an appropriation of \$736,000. This amount is \$15,000 more than the fiscal year 2003 appropriation.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

SALARIES AND EXPENSES

Appropriations, 2003	\$682,758,000
Budget estimate, 2004	694,897,000
Committee recommendation	705,552,000

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

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

Agricultural Quarantine Inspection [AQI].—The agency collects user fees to cover the cost of inspection and quarantine activities at U.S. ports of entry to prevent the introduction of exotic animal and plant diseases and pests.

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

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

Animal Care.—The Agency conducts regulatory activities that ensure the humane care and treatment of animals and horses as the Animal Welfare and Horse Protection Acts require. These activities include inspection of certain establishments that handle animals intended for research, exhibition, and as pets, and monitoring 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 to support the control and eradication programs in other functional components; applied research to reduce economic damage from vertebrate animals; development of new pest and animal damage control methods and tools; and regulatory oversight of genetically engineered products.

COMMITTEE RECOMMENDATIONS

For salaries and expenses of the Animal and Plant Health Inspection Service, the Committee recommends total funding of \$705,552,000. This is \$22,794,000 more than the fiscal year 2003 appropriation. This amount does not include \$288,000 for FECA administrative charges, as requested in the budget. The Committee encourages the Secretary to utilize authorities and resources of the Commodity Credit Corporation [CCC] to provide assistance in response to animal and plant health threats, and to allow compensation to certain producers for losses sustained in connection with these threats in instances when the additional assistance is deemed necessary. The Committee is aware of the need to compensate producers for losses associated with avocado and citrus production in California, poultry losses in California resulting from avian influenza and exotic Newcastle disease, goose production losses in South Dakota in connection with West Nile virus, and tree losses in Michigan due to infestations of the emerald ash borer.

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

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

[In thousands of dollars]

	Fiscal year 2003 enacted	Fiscal year 2004 budget request	Committee rec- ommendation
Pest and disease exclusion:			
Agricultural quarantine inspection	24,152	21,300	24,300
Cattle ticks	6,313	6,575	6,534
Foot-and-mouth disease/emerging foreign animal diseases	7,937	9,039	7,987
Import/export	9,345	12,429	9,640
Trade issues resolution and management	11,452	11,621	11,546
Fruit fly exclusion and detection	56,449	61,273	57,059
Screwworm	30,480	30,751	30,552
Tropical bunt tick	419	2,916	423
Total, pest and disease exclusion	146,547	155,904	148,041
Plant and animal health monitoring:			
Animal health monitoring and surveillance	93,216	93,962	96,038
Animal and plant health regulatory enforcement	8,483	9,566	9,211
Emergency Management System	8,985	11,693	9,075
Pest detection	22,261	27,051	22,577
Total, plant and animal health monitoring	132,945	142,272	136,901
Pest and disease management programs:			
Aquaculture	1,388	968	1,250
Biocontrol	9,059	9,329	9,270
Boll weevil	61,597	26,722	51,720
Brucellosis eradication	10,191	8,747	10,303
Chronic wasting disease	14,836	14,979	20,000
Emerging plant pests	74,800	109,463	86,400
Golden nematode	626	971	642
Grasshopper	4,341	4,287	5,709
Gypsy moth	4,647	4,755	4,725
Imported fire ant	2,421	2,140	2,429
John's disease	20,863	3,104	21,500
Low pathogen avian influenza		2,003	
Noxious weeds	1,899	1,142	1,953
Pink bollworm	1,987	1,710	2,031

ANIMAL AND PLANT HEALTH INSPECTION SERVICE—Continued

[In thousands of dollars]

	Fiscal year 2003 enacted	Fiscal year 2004 budget request	Committee rec- ommendation
Plum pox	4,025	3,471	4,041
Pseudorabies	4,258	4,344	4,316
Scrapie eradication	15,373	17,068	15,700
Tuberculosis	14,798	15,135	14,925
Wildlife services operations	68,587	65,706	72,186
Witchweed	1,520	1,536	1,526
Total, pest and disease management	317,216	297,580	330,626
Animal care:			
Animal welfare	16,301	14,704	16,400
Horse protection	490	493	490
Total, animal care	16,791	15,197	16,890
Scientific and technical services:			
Biosecurity		2,920	
Biotechnology regulatory services	3,825	3,946	3,921
Environmental services	2,534	2,615	2,598
Plant methods development laboratories	7,991	8,260	8,208
Veterinary biologics	14,535	16,281	14,894
Veterinary diagnostics	17,209	20,973	18,697
Wildlife services methods development	14,875	13,647	16,450
Total, scientific and technical services	60,969	68,642	64,768
Contingency fund	4,076	4,139	4,112
APHIS information technology infrastructure	4,214	4,602	4,214
Physical security		6,273	
FECA surcharge		288	
Total, salaries and expenses	682,758	694,897	705,552

The Committee is unable to provide the full increases requested in the President's budget for the Animal and Plant Health Inspection Services. However, the Committee does provide increases for a number of specific animal and plant health programs. The Committee encourages the Secretary to continue use of contingency funding from Commodity Credit Corporation monies, as in past fiscal years, to cover needs as identified in the President's budget and any additional emergencies as the Secretary determines necessary.

Pest and Disease Exclusion

AQI.—For fiscal year 2004, the Committee provides an appropriation of \$24,300,000 for the AQI appropriated account. The Committee provides an increase of \$3,000,000 above the budget request to conduct preclearance quarantine inspections of persons, baggage, cargo, and other articles destined for movement from the State of Hawaii to the continental United States, Guam, Puerto Rico, or the United States Virgin Islands.

The Committee urges the Department to establish protocols that allow shipment of untreated fruits and vegetables grown in Hawaii to cold-weather States during winter months while maintaining reasonable assurances that potential transshipment of such produce will not jeopardize the phytosanitary standards of warm weather States.

The Committee continues its interest in more efficient and less disruptive inspection of passengers and cargo at Hawaii airports and, from within available funds, directs APHIS to provide not less than the number of inspectors and inspection equipment required in the APHIS-Hawaii staffing plan for fiscal year 2003. The Committee also encourages the agency to aggressively identify and evaluate flexible hiring and staff deployment arrangements, such as the Senior Environmental Employment Program, to minimize overtime rates charged to agricultural shippers. The Committee further encourages APHIS to acquire and deploy commercially available, state-of-the art inspection technology and equipment for key ports of entry, such as Hawaii, to screen passenger luggage for banned agricultural products to reduce the introduction of dangerous agricultural pests and diseases in the United States.

The Committee urges APHIS to continue working closely with U.S. avocado growers to implement procedures for the importation of Mexican avocados. The Committee directs APHIS to report on the status of Mexican avocado imports, including problems in pest surveys, oversight by APHIS personnel, and the diversion of Mexican avocados to other than approved destinations. The Committee directs APHIS to include independent, third party scientists in the development of any pest risk assessment for Mexican avocados, prior to the publication of any such pest risk assessment in the Federal Register. The Committee also directs APHIS to report to Congress prior to publishing any rules expanding the approved areas or lengthening time periods for the importation of Mexican avocados.

Fruit Fly Exclusion and Detection.—The Committee provides \$57,059,000 for the fruit fly exclusion and detection program, of which no less than the fiscal year 2003 level shall be used to enhance activities to prevent Medflies from moving into the United States as well as activities at U.S. borders.

Plant and Animal Health Monitoring

Animal Health Monitoring and Surveillance.—The Committee provides \$95,888,000 for the Animal Health Monitoring and Surveillance account. The Committee provides continued funding at the fiscal year 2003 level for a cooperative agreement with the Wisconsin Animal Health Consortium for ongoing activities related to animal and animal-based product tracking and database management. The Committee also provides continued funding at the fiscal year 2003 level for the National Farm Animal Identification and Records Project. The Committee provides an increase of \$250,000 for the New Mexico Rapid Syndrome Validation Program to develop an early detection and reporting system for infectious animal diseases. The Committee expects APHIS to work with the Wisconsin Animal Health Consortium, the National Farm Animal Identification and Records Project, and the Rapid Syndrome Validation Program to coordinate activities and report to the Committee by March 1, 2004 on the development of a National Animal Tracking System.

The Committee provides an increase of \$100,000 above the fiscal year 2003 level, to continue the cooperative agreement with the Murray State University, Breathitt Veterinary Center, Hopkins-

ville, KY, to determine the impact on animal health from common agricultural chemical usage.

The Committee provides \$250,000 toward an alkaline digester in the State of Kansas to destroy and dispose of animal carcasses suspected of transmissible spongiform encephalopathy infection and other diseases.

The Committee provides \$250,000 to address bio-safety issues relating to antibiotic resistant strains of bacterial pathogens in the State of Vermont.

The Committee is greatly concerned about the growing incidence around the world of animal disease, such as chronic wasting disease, bovine spongiform encephalopathy, monkeypox, and others which pose grave threats to the Nation's livestock sector and the public health. The Committee feels there should be an enhanced relationship between Federal and State veterinary programs to better coordinate all activities related to the exclusion, management, or eradication of these diseases. Toward that objective, the Committee requests that APHIS work with the States to further develop a Federal/State partnership to make more efficient use of limited resources, including the need for expanded laboratory capacity. The Committee requests a report on this subject by March 1, 2004, which will include a plan to work with States to improve existing laboratory capacity.

The Committee provides \$250,000 to establish a national institute at Iowa State University devoted to risk assessment, mitigation, and communication for genetically modified agricultural products.

Animal and Plant Health Regulatory Enforcement.—The Committee provides an increase of \$728,000 for the animal and plant health regulatory enforcement account for additional activities in support of increased Animal Welfare Act compliance inspections.

The Committee is very concerned about reports of illegal animal fighting activities and directs the Secretary to work with relevant agencies on the most effective and proper means for investigating and enforcing laws and regulations regarding these activities.

Emergency Management Systems.—The Committee provides an increase of \$90,000 for the emergency management systems program.

Pest Detection.—The Committee provides an increase of \$316,000 for pest detection. The Committee is concerned about continuing threats posed by the accidental or intentional introduction of pests, disease, or species into this country which could be devastating to our agricultural resources. The Committee is aware of interest by the Florida Department of Agriculture and Consumer Services to move toward completion of the Western Escambia County Agriculture Interdiction Station and encourages APHIS to work with the State of Florida to determine and, if prudent, develop a collaborative agreement for operations at this station.

Pest and Disease Management

Aquaculture.—The Committee provides \$1,250,000 for the aquaculture program. The Committee provides funding at the fiscal year 2003 level to continue telemetry and population dynamics studies

to develop environmentally and economically sustainable methods to help catfish farmers manage cormorant and pelican populations.

Boll Weevil.—The Committee provides \$51,720,000 for fiscal year 2004 to continue the Boll Weevil Eradication Program. This funding will provide the active eradication zone areas with a 30 percent cost share and possible exceptions to address special funding requirements arising from extraordinary circumstances in some States.

Brucellosis Eradication.—The Committee provides an increase of \$112,000 above the fiscal year 2003 level for the brucellosis program. This amount continues funding at the fiscal year 2003 level for the State of Montana to protect the State's brucellosis-free status and for the operation of the bison quarantine facility and the testing of bison that surround Yellowstone National Park.

The Committee provides continued funding at the fiscal year 2003 level for the Greater Yellowstone Interagency Brucellosis Committee, and encourages the coordination of Federal, State, and private actions to eliminate brucellosis from wildlife in the Greater Yellowstone area. This amount shall be equally divided between the States of Idaho, Montana, and Wyoming.

Chronic Wasting Disease.—The Committee is very concerned about the escalating number of deer and elk in different regions of the U.S. testing positive for chronic wasting disease and provides an increase of \$5,118,000 to expand the chronic wasting disease certification and control program to include additional surveillance and disease control activities with free-ranging cervids, and to increase State testing capacity for the timely identification of the presence of this disease.

The Committee is aware of the development of a rapid prion assay that would more effectively test for BSE in meat processing facilities and for chronic wasting disease in the field for evaluating wild game. The Committee directs the Department to undertake a review of this testing technology and, if warranted, to move forward with the use of this technology.

Of the amount provided for chronic wasting disease, \$2,000,000 is for the State of Wisconsin, \$250,000 is for the State of Utah, and \$500,000 is for the Conservation Medicine Center of Chicago which is a collaboration between the University of Illinois College of Veterinary Medicine, Loyola University Chicago Stritch School of Medicine, and the Brookfield Zoo.

Emerging Plant Pests.—The Committee provides an increase of \$11,600,000 above the fiscal year 2003 level for emerging plant pests. Within this total, the Committee provides an additional \$5,000,000 for Pierce's disease; \$5,000,000 for citrus canker; and the fiscal year 2003 level for the Asian long-horned beetle program in Illinois and New York, of which no less than \$1,500,000 shall be for activities in the area of Chicago, IL. The Committee continues funding at the fiscal year 2003 level for sudden oak death syndrome. The Committee provides \$1,000,000 for activities related to the emerald ash borer in the State of Michigan. The Committee expects the Secretary to make funds available from the CCC for activities related to these and other plant pests in fiscal year 2004, as necessary.

The Committee is aware that APHIS has a compensation program in place for wheat producers, grain handlers, and facilities that karnal bunt impacts. However, the compensation provided for handlers and facilities does not adequately represent the costs these facilities incur when they receive deliveries of karnal bunt-infected wheat. This inadequate compensation has led to many facilities refusing to participate in activities to prevent the spread of karnal bunt in the United States. Due to the serious threat that karnal bunt poses to U.S. wheat production and exports, the Committee expects APHIS to work with the grain handling industry to develop an adequate compensation plan, and to report back to the Committee on its recommendations no later than 120 days after the date of enactment of this Act.

The Committee notes that APHIS signed a cooperative agreement with the Washington State Department of Agriculture to survey and eradicate the citrus longhorned beetle. The Committee recognizes that the citrus longhorned beetle presents a severe threat to hardwood trees and tree fruit crops, and urges APHIS to direct the resources necessary to eradicate the citrus longhorned beetle.

Grasshopper.—The Committee provides an increase of \$1,368,000 above the fiscal year 2003 level for the grasshopper account. Of this amount, no less than \$1,000,000 shall be for grasshopper and Mormon cricket activities in the State of Utah: \$150,000 to prepare necessary environmental documents, and \$500,000 to continue control measures. The Committee also provides an additional \$300,000 for grasshopper and Mormon cricket activities in the State of Nevada, including survey, control, and eradication of crickets.

Imported Fire Ant.—The Committee provides \$2,429,000 for the imported fire ant account to continue sharing responsibility with the States to conduct detection and nursery surveys; compliance monitoring; enforcement for quarantine of nursery stock; and production, field release, and evaluation of promising control agents. The Committee continues funding at the fiscal 2003 level for the State of Tennessee for additional control activities.

Johne's Disease.—The Committee provides an increase of \$637,000 above the fiscal year 2003 level for Johne's disease to expand the agency's efforts to coordinate State certification programs for herd-testing, and to provide additional assistance to States to develop herd management plans that comply with APHIS's national standards for certification. The Committee expects APHIS to work with the Agricultural Research Service to coordinate activities to research and develop an effective diagnostic test for Johne's disease with appropriate field validation and methods development.

Noxious Weeds.—The Committee provides \$1,953,000 for the noxious weeds account. This amount includes an increase of \$150,000 for the Nez Perce Bio-Control Center to increase the availability and distribution of biological control organisms used in an integrated weed management system. The Committee provides continued funding at the fiscal year 2003 level for an invasive species program to prevent the spread of cogongrass in Mississippi, and requests that the agency take necessary steps to address this invasive weed as a regional infestation problem.

The Committee continues its concern for the serious threat to pastures and watersheds resulting from the introduction of alien

weed pests, such as gorse and miconia, into Hawaii, and directs APHIS to work with the Hawaii Department of Agriculture and the Natural Resources Conservation Service to develop an integrated approach, including environmentally safe biological controls, for eradicating these pests, and to provide funds as necessary.

Scrapie Eradication.—The Committee provides an increase of \$325,000 above the fiscal year 2003 level for the scrapie eradication program, and directs the Secretary to use funds from the CCC, as necessary, for additional eradication activities in fiscal year 2004.

Tuberculosis.—The Committee provides \$14,925,000 for the tuberculosis program. Of this amount, no less than \$5,000,000 shall be for activities in Michigan. The Committee is concerned about the potential threats that wildlife poses for transmitting tuberculosis to domestic livestock and directs the agency to increase technical and operational assistance to Michigan producers to prevent or reduce the transmission of tuberculosis between wildlife and cattle. The Committee also encourages the agency to continue its research for developing methods to minimize the interaction between wildlife and livestock. The Committee encourages the Secretary to use funds from the CCC, as necessary, for additional surveillance and eradication activities in fiscal year 2004.

Wildlife Services Operations.—The Committee does not concur with the President's request to reduce funding in the wildlife services operations account to allow cooperators to assume a larger share of the costs associated with preventing and reducing wildlife damage. The Committee restores fiscal year 2003 funding to continue cooperating with States to conduct wildlife management programs such as livestock protection, migratory bird damage to crops, invasive species damage, property damage, human health and safety, and threatened and endangered species protection.

The Committee notes the success of the oral rabies vaccination program and provides an increase of \$1,250,000 above the fiscal year 2003 level for rabies control activities in fiscal year 2004. The Committee encourages the Secretary to use funds from the CCC, as necessary, for additional control activities in fiscal year 2004.

The Committee provides continued funding at the fiscal year 2003 level to fully implement the recommendations of the Aviation Safety Review Committee.

Of the amount provided to conduct wildlife monitoring and surveillance activities to prevent the spread of foreign animal diseases in the United States, the Committee provides an increase of \$500,000 above the fiscal year 2003 level for remote diagnostic and wildlife disease surveillance activities with North Dakota State University and Dickinson State University.

The Committee is concerned about the growing number of livestock that are killed or injured by preying animals, especially wolves, in the Western Great Lakes and Southwest regions of the United States. The Committee provides continued funding at the fiscal year 2003 level for integrated predation management activities in Minnesota, Wisconsin, Michigan, Arizona, and New Mexico. Of this amount, no less than \$1,050,000 shall be available for activities in the Western Great Lakes States. A portion of the funding shall be made available to assist livestock producers who are interested in the proper use of non-lethal alternatives and best manage-

ment practices in order to fully ensure that all such methods are exhausted before any lethal control occurs.

The Committee provides continued funding at the fiscal year 2003 level for the Tri-state predator control program for livestock operators in Montana, Idaho, and Wyoming. Due to the increase in federally listed endangered species, the States' operations accounts for wildlife services have suffered financially.

The Committee provides continued funding at the fiscal year 2003 level for a cooperative agreement with the University of Georgia, Auburn University, and the Wildlife Services Operations in the State of Georgia to address the fluctuations in game bird and predator species resulting from recent changes in land use throughout the southeastern United States.

The Committee provides continued funding at the fiscal year 2003 level for the operation of the State Wildlife Services office in Hawaii to provide on-site coordination of prevention and control activities in Hawaii and the American Pacific. The Committee also continues funding at the fiscal year 2003 level for the Hawaii Department of Agriculture to coordinate and operate a comprehensive brown tree snake prevention and detection program for Hawaii and to initiate eradication and control of coqui frogs.

The Committee provides continued funding at the fiscal year 2003 level for wildlife service operations with the South Dakota Department of Game, Fish, and Parks to meet the growing demands of controlling predatory, nuisance, and diseased animals.

The Committee provides continued funding at the fiscal year 2003 level for the management of beavers in Mississippi. The Committee commends the agency's assistance in cooperative relationships with local and Federal partners to reduce beaver damage to cropland and forests.

The Committee provides continued funding at the fiscal year 2003 level to continue control measures for minimizing blackbird damage to sunflowers in North Dakota and South Dakota. The Committee continues the fiscal year 2003 funding level for blackbird management efforts in Louisiana.

The Committee provides an increase of \$100,000 to assist the Nevada Division of Wildlife with returning displaced wildlife back to its natural habitat. This rescue initiative shall be a cooperative effort between Federal, State, local, and private sources.

The Committee provides funding at the fiscal year 2003 level for a cooperative agreement with the Eastern Idaho Sandhill Crane Lure Crop Project for integrated predator management activities to reduce sandhill crane depredations and grain crop damage in Eastern Idaho.

The Committee provides funding at the fiscal year 2003 level for beaver control in the State of North Carolina, \$150,000 for beaver control in the State of Kentucky, \$1,300,000 for the Predator Research Station in the State of Utah, an increase of \$200,000 for the control of birds in the State of New York, an increase of \$225,000 for the control of blackbirds in the State of Kansas, and an increase of \$250,000 to address wildlife damage in the State of New Hampshire.

The Committee notes the growing problem due to cormorants in the Lake Champlain basin and urges APHIS to provide support, as

deemed necessary, to assist in the management of cormorants in the region.

Animal Care

Animal Welfare.—The Committee provides \$16,400,000 for the Animal Care Unit for enforcement of the Animal Welfare Act.

The Committee does not assume collections from unauthorized animal welfare inspection user fees, as proposed in the President's budget.

Scientific and Technical Services

Veterinary Diagnostics.—The Committee provides \$18,697,000 for the veterinary diagnostics account for fiscal year 2004. The Committee provides \$1,000,000 to update equipment needed to test certain animal samples in the State of Colorado.

Wildlife Services Methods Development.—The Committee provides \$16,450,000 for wildlife services methods development. Of this amount, the Committee provides an increase of \$200,000 from the fiscal year 2003 level to enhance existing research efforts at the National Wildlife Research Center field station in Starkville, MS, for resolving problems regarding bird damage to aquaculture farms in the Southeast. The Committee also provides an increase of \$400,000 from the fiscal year 2003 level to expand the existing program at the Jack Berryman Institute for addressing wildlife damage management issues, including wildlife disease threats and wildlife economics, and facilitating a cooperative relationship with the Mississippi Agricultural and Forestry Experiment Station. The Committee emphasizes the importance of close collaboration between the Jack Berryman Institute and the National Wildlife Research Center. The remaining increase, beyond pay costs, is for maintenance and operations necessary to support wildlife methods development at the National Wildlife Research Center in Fort Collins, CO.

The Committee provides continued funding at the fiscal year 2003 level for the cooperative agreement with the Hawaii Agriculture Research Center for rodent control only in active agricultural areas.

The Committee provides \$750,000 for the National Wildlife Research Station located in the State of Texas for activities related to emerging infectious diseases associated with wildlife populations and human health.

Projects identified in the Senate directives as contained in the Congressional Record of January 15, 2003, pages S356–S410, and Conference Report 108–10 that the Committee directed to be funded for fiscal year 2003 are not funded for fiscal year 2004 unless specifically mentioned herein.

In complying with the Committee's directives, the Committee expects APHIS not to redirect support for programs and activities without prior notification to and approval by the House and Senate Committees on Appropriations in accordance with the reprogramming procedures specified in the Act. Unless otherwise directed, the Animal and Plant Health Inspection Service shall implement appropriations by programs, projects, and activities as specified by the Appropriations Committees. Unspecified reductions necessary

to carry out the provisions of this Act are to be implemented in accordance with the definitions contained in the "Program, project, and activity" section of this report.

BUILDINGS AND FACILITIES

Appropriations, 2003	\$9,924,000
Budget estimate, 2004	4,996,000
Committee recommendation	4,996,000

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

The following table represents the Committee's specific recommendation for this account as compared to the fiscal year 2003 and budget request levels:

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

[In thousands of dollars]

	Fiscal year 2003 enacted	Fiscal year 2004 budget request	Committee recommendation
Basic buildings and facilities repair, alterations, and preventive maintenance	4,957	4,996	4,996
Miami Animal Import Center, FL	4,967	.....	.....
Total, Buildings and Facilities	9,924	4,996	4,996

COMMITTEE RECOMMENDATIONS

For buildings and facilities of the Animal and Plant Health Inspection Service, the Committee recommends an appropriation of \$4,996,000. This amount is \$4,928,000 less than the fiscal year 2003 appropriation.

AGRICULTURAL MARKETING SERVICE

MARKETING SERVICES

Appropriations, 2003	\$75,210,000
Budget estimate, 2004	75,071,000
Committee recommendation	75,263,000

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

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

COMMITTEE RECOMMENDATIONS

For marketing services of the Agricultural Marketing Service, the Committee recommends an appropriation of \$75,263,000. This amount is \$53,000 more than the fiscal year 2003 appropriation. This amount does not include \$167,000 for FECA administrative charges, as requested in the budget.

Included in this amount is \$1,500,000, an increase of \$477,000 over the fiscal year 2003 appropriation, for the National Organic Program. The Committee believes that part of this funding should be used to hire an Executive Director for the National Organic Standards Board, to create a Peer Review Panel to oversee the USDA accreditation process for organic certifiers, and to pay expenses for volunteer technical advisors to assist in the scientific evaluation of materials considered for inclusion of the National List.

The Committee provides \$14,586,000 for the Pesticide Data Program. The Committee recognizes the importance of the Pesticide Data Program [PDP] to collect reliable, scientific-based pesticide residue data that benefits consumers, food processors, crop protection, pesticide producers, and farmers. The PDP is of particular importance since the passage of the Food Quality Protection Act, which requires thorough re-evaluation of agricultural pesticides and tolerances for uses on individual crops. The PDP is an effective tool to maintain the availability of critical products which allow the production of safe and affordable foods.

The Committee encourages the Department to make grants to the Kenai Peninsula Borough and Alaska regional marketing organizations to promote wild salmon.

The Committee provides \$6,179,000 for costs associated with the Livestock Mandatory Price Reporting Act of 1999.

The State of Alaska has developed the Alaska Grown Program to promote the sale of Alaskan products in both military and civilian markets. The Committee fully supports this program and expects the Department again to give full consideration to funding applications submitted for the Alaska Grown Program, which includes Alaska agricultural products and seafood harvested in the State. The Alaska Grown Program should coordinate with other regional marketing entities.

The amount provided also includes \$6,175,000 for the microbiological data program so that baselines may be established for the incidence, number and types of food-borne microorganisms. The Committee expects AMS to coordinate with other agencies of USDA, other public health agencies of the government, and industry to avoid duplication of effort and to ensure that the data collected can be used by all interested parties.

The Committee is aware of the transportation cost differentials among those U.S. farmers and ranchers having access to low cost ground transportation and those who lack such access, and recommends that the Agency provide technical assistance to those departments of agriculture serving U.S. farmers and ranchers outside of the 48 contiguous States in identifying and evaluating transportation alternatives that would allow these producers to compete globally.

The Committee encourages AMS to work with ERS, NASS and RMA on the collection of segregated data on the production and marketing of organic agricultural products. This data should be included in the ongoing baseline of data collection regarding agricultural production and marketing, as directed in the 2002 Farm Bill. Specifically, data should be collected on prices, yields, acreage and production costs in the organic sector.

LIMITATION ON ADMINISTRATIVE EXPENSES

Limitation, 2003	\$61,619,000
Budget limitation, 2004	62,577,000
Committee recommendation	62,577,000

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

COMMITTEE RECOMMENDATIONS

The Committee recommends a limitation on administrative expenses of the Agricultural Marketing Service of \$62,577,000. This amount is \$958,000 more than the fiscal year 2003 level.

FUNDS FOR STRENGTHENING MARKETS, INCOME, AND SUPPLY

(SECTION 32)

MARKETING AGREEMENTS AND ORDERS

Appropriations, 2003	\$14,910,000
Budget estimate, 2004	15,392,000
Committee recommendation	15,392,000

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

The following table reflects the status of this fund for fiscal years 2002–2004:

SECTION 32 ESTIMATED TOTAL FUNDS AVAILABLE AND BALANCE CARRIED FORWARD—FISCAL YEARS 2002–2004

	Fiscal year—		
	2002 actual	2003 estimate	2004 estimate
Appropriation (30 percent of Customs Receipts)	\$6,139,942,369	\$5,798,093,321	\$5,927,395,463
Less Rescission	–468,370		
Transfer from CCC		250,000,000	
Less Transfers:			
Food and Nutrition Service	–5,172,458,000	–4,745,663,000	–4,699,661,000

SECTION 32 ESTIMATED TOTAL FUNDS AVAILABLE AND BALANCE CARRIED FORWARD—FISCAL YEARS 2002–2004—Continued

	Fiscal year—		
	2002 actual	2003 estimate	2004 estimate
Commerce Department	– 79,126,813	– 75,223,778	– 79,724,463
Total, Transfers	– 5,251,584,813	– 4,820,886,778	– 4,779,385,463
Budget Authority	887,889,186	1,227,206,543	1,148,010,000
Unobligated Balance Available, Start of Year	107,824,527	192,156,087	.....
Recoveries of Prior Year Obligations .....	.....	13,000,000	.....
Available for Obligation	995,713,713	1,432,362,630	1,148,010,000
Less Obligations:			
Commodity Procurement:			
Child Nutrition Purchases	399,934,661	15,000,000	400,000,000
State Option Contract .....	.....	5,000,000	5,000,000
Removal of Defective Commodities .....	.....	1,000,000	1,000,000
Fruit and Vegetable Pilot Project	6,000,000	.....	.....
Emergency Surplus Removal	206,898,187	183,232,371	.....
Diversion Payments .....	.....	.....	.....
Direct Payments	172,867,307	.....	.....
Disaster Assistance .....	.....	500,000	.....
Lamb Grading and Certification Support	592,057	950,626	.....
Estimated Future Purchases .....	.....	304,036,633	415,575,000
Total, Commodity Procurement	786,292,212	1,406,719,630	821,575,000
Administrative Funds:			
Commodity Purchase Service	6,906,166	10,733,000	11,043,000
Marketing Agreements & Orders	10,359,248	14,910,000	15,392,000
Total, Administrative Funds	17,265,414	25,643,000	26,435,000
Total, Obligations	803,557,626	1,432,362,630	848,010,000
Unobligated Balance Available, End Of Year	192,156,087	.....	300,000,000

COMMITTEE RECOMMENDATIONS

The Committee recommends a transfer from section 32 funds of \$15,392,000 for the formulation and administration of marketing agreements and orders. This amount is \$482,000 more than the fiscal year 2003 level.

In previous fiscal years, section 32 funds have been spent to purchase and distribute salmon for donation to schools, institutions, and other domestic feeding programs. The Committee directs the Agricultural Marketing Service [AMS] to assess the existing inventories of pink salmon, salmon nuggets, and pouched salmon and determine whether there is a surplus and continued low prices. If a surplus exists, the Committee expects the Department to purchase salmon for use in schools, institutions, and other domestic feeding programs, and for humanitarian aid.

The Committee encourages USDA to use all existing authorities under the section 32 program through emergency surplus removal and other commodity purchases, including fruit and vegetable purchases as mandated in the 2002 Farm Bill, to continue the Fruit and Vegetable Pilot Program during fiscal year 2004. The Committee requests a report on the feasibility of continuing the Fruit

and Vegetable Pilot Program on a permanent basis under current section 32 authorities within 120 days of the enactment of this Act.

The Committee is aware that section 10603 of Public Law 107-171, the Farm Security and Rural Investment Act of 2002, mandates that the Secretary must use a minimum of \$200,000,000 each fiscal year to purchase fruits, vegetables and other specialty food crops. The Committee reminds USDA of the language included in section 53 of the conference report accompanying this law and expects that these purchases will be made according to Congressional intent.

In the utilization of section 32 funds for USDA feeding programs, the Department of Agriculture shall not exclude or discriminate against farmer-owned cooperatives when considering contracts.

PAYMENTS TO STATES AND POSSESSIONS

Appropriations, 2003	\$1,338,000
Budget estimate, 2004	1,347,000
Committee recommendation	3,338,000

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

COMMITTEE RECOMMENDATIONS

For payments to States and possessions for Federal-State marketing projects and activities, the Committee provides \$3,338,000. This amount is \$2,000,000 more than the fiscal year 2003 appropriation. The Committee directs that \$2,000,000 be provided to the Wisconsin Department of Agriculture, Trade and Consumer Protection for the creation of specialty markets.

GRAIN INSPECTION, PACKERS AND STOCKYARDS ADMINISTRATION

SALARIES AND EXPENSES

Appropriations, 2003	\$39,690,000
Budget estimate, 2004	41,688,000
Committee recommendation	35,638,000

The Grain Inspection, Packers and Stockyards Administration [GIPSA] was established pursuant to the Secretary's 1994 reorganization. Grain inspection and weighing programs are carried out under the U.S. Grain Standards Act and other programs under the authority of the Agricultural Marketing Act of 1946, including the

inspection and grading of rice and grain-related products; conducting official weighing and grain inspection activities; and grading dry beans and peas, and processed grain products. Under the Packers and Stockyards Act, assurance of the financial integrity of the livestock, meat, and poultry markets is provided. The administration monitors competition in order to protect producers, consumers, and industry from deceptive and fraudulent practices which affect meat and poultry prices.

COMMITTEE RECOMMENDATIONS

For salaries and expenses of the Grain Inspection, Packers and Stockyards Administration, the Committee recommends an appropriation of \$35,638,000. This amount is \$4,052,000 less than the fiscal year 2003 appropriation. This amount does not include \$41,000 for FECA administrative charges, as requested in the budget.

The Committee expects the Department to continue the market catalog reporting.

The Committee understands GIPSA is assessing how the agency can facilitate the efficient marketing of grain by augmenting, not supplanting, existing market mechanisms. The Committee encourages the Department to establish a cooperative relationship with the Iowa Corn Growers Association and the Illinois Corn Growers Association, and provides \$500,000 to continue a study of process verification systems with protocols.

The Committee recognizes that the Livestock Mandatory Price Reporting Act has been in effect since October, 1999, and encourages GIPSA to complete implementation of the Swine Contract Library.

LIMITATION ON INSPECTION AND WEIGHING SERVICES EXPENSES

Limitation, 2003	\$42,463,000
Budget limitation, 2004	42,463,000
Committee recommendation	42,463,000

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

COMMITTEE RECOMMENDATIONS

The Committee recommends a \$42,463,000 limitation on inspection and weighing services expenses. This amount is the same as the fiscal year 2003 level.

OFFICE OF THE UNDER SECRETARY FOR FOOD SAFETY

Appropriations, 2003	\$595,000
Budget estimate, 2004	792,000
Committee recommendation	611,000

The Office of the Under Secretary for Food Safety provides direction and coordination in carrying out the laws enacted by the Con-

gress with respect to the Department’s inspection of meat, poultry, and egg products. The Office has oversight and management responsibilities for the Food Safety and Inspection Service.

COMMITTEE RECOMMENDATIONS

For the Office of the Under Secretary for Food Safety, the Committee recommends an appropriation of \$611,000. This amount is \$16,000 more than the fiscal year 2003 appropriation.

FOOD SAFETY AND INSPECTION SERVICE

Appropriations, 2003	\$754,821,000
Budget estimate, 2004	797,149,000
Committee recommendation	783,761,000

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

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

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

COMMITTEE RECOMMENDATIONS

For the Food Safety and Inspection Service, the Committee recommends an appropriation of \$783,761,000. This amount is \$28,940,000 more than the fiscal year 2003 appropriation. This amount does not include \$1,034,000 for FECA administrative charges, as requested in the budget.

The Committee has provided an increase of \$26,017,000 above the fiscal year 2003 appropriation for Federal food safety and inspection. This increase includes funding for an additional 80 in-plant FSIS inspectors, bringing the total number of FSIS slaughter inspectors to 7,680.

The Committee has provided an increase of \$67,000 from the fiscal year 2003 funding level for activities related to the *Codex Alimentarius*.

Humane Slaughter.—Activities relating to humane slaughter are fully funded. In fiscal year 2003, the Committee provided FSIS with \$5,000,000, available for 2 years, and has included statutory language in this bill to require that FSIS hire no less than 50 FTEs to work solely on the enforcement of the Humane Methods of Slaughter Act [HMSA]. The Committee understands that FSIS plans to have hired 38 of these FTEs by the end of fiscal year 2003, and expects the remainder of the FTEs to be hired during fiscal year 2004. The Committee expects FSIS to maintain funding for

these FTEs in its fiscal year 2005 budget request. Further, the Committee expects that the 17 District Veterinary Medical Specialist positions created in fiscal year 2001 will continue in fiscal year 2004.

Import Inspection.—The Committee remains aware that FSIS uses two methods to determine whether the inspection systems of foreign countries that sell meat and poultry to the United States meet the same standards as our domestic meat inspection system. These methods include USDA audits of foreign plants and laboratories, and USDA inspection of foreign meat and poultry at the U.S. border. The Committee has provided an increase of \$1,777,000 for USDA to hire seven additional foreign program auditors and to increase the number of equivalency review trips. The Committee understands that this funding will allow the number of countries reviewed by USDA auditors to increase from 33 to 40. Further, the Committee requests notification when the additional seven auditors are hired, identification of the countries they will be auditing, and the number of audits they will be performing. In addition, the Committee requests information regarding the total number of countries and audits planned for inspection by USDA in fiscal year 2004.

When a significant number of plants initially audited in a particular country fail to meet U.S. safety standards, the Committee continues to expect the Department to exercise all authorities to limit imports from all plants in that country which have not been audited in the previous 12 months, as well as imports from those plants that failed initial audits, until subsequent findings establish that proper inspection systems are in place.

The following table represents the Committee's specific recommendations for the Food Safety and Inspection Service as compared to the fiscal year 2003 and budget request levels:

FOOD SAFETY AND INSPECTION SERVICE SALARIES AND EXPENSES
[In thousands of dollars]

	Fiscal year 2003 enacted	Fiscal year 2004 budget request	Committee rec- ommendation
Food safety inspection:			
Federal	675,086	713,686	701,103
State	49,379	50,232	49,854
International	16,005	18,682	18,380
Codex Alimentarius	2,556	2,677	2,629
FAIM	11,795	11,872	11,795
Total	754,821	797,149	783,761

OFFICE OF THE UNDER SECRETARY FOR FARM AND FOREIGN
AGRICULTURAL SERVICES

Appropriations, 2003	\$614,000
Budget estimate, 2004	916,000
Committee recommendation	635,000

The Office of the Under Secretary for Farm and Foreign Agricultural Services provides direction and coordination in carrying out the laws enacted by the Congress with respect to the Department's international affairs (except for foreign economics development)

and commodity programs. The Office has oversight and management responsibilities for the Farm Service Agency, including the Commodity Credit Corporation, Risk Management Agency, and the Foreign Agricultural Service.

COMMITTEE RECOMMENDATIONS

For the Office of the Under Secretary for Farm and Foreign Agricultural Services, the Committee recommends an appropriation of \$635,000. This amount is \$21,000 more than the fiscal year 2003 appropriation.

The Committee continues to urge the Secretary to work with representatives of the dairy industry and appropriate non-governmental organizations to increase the amount of fortified dry milk exported under humanitarian assistance programs.

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

FARM SERVICE AGENCY

The Farm Service Agency [FSA] was established October 3, 1994, pursuant to the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994, Public Law 103-354. The FSA administers a variety of activities, such as the commodity price support and production adjustment programs financed by the Commodity Credit Corporation; the Conservation Reserve Program [CRP]; the Emergency Conservation Program; the Commodity Operation Programs including the warehouse examination function; farm ownership, farm operating, emergency disaster, and other loan programs; and the Noninsured Crop Disaster Assistance Program [NAP], which provides crop loss protection for growers of many crops for which crop insurance is not available. In addition, FSA currently provides certain administrative support services to the Foreign Agricultural Service [FAS] and to the Risk Management Agency [RMA].

SALARIES AND EXPENSES

[In thousands of dollars]

	Appropriations	Transfers from program accounts	Total, FSA, salaries and expenses
Appropriations, 2003	970,389	279,209	1,249,598
Budget estimate, 2004	1,016,836	294,096	1,310,932
Committee recommendation	988,768	284,941	1,273,709

The account "Salaries and expenses, Farm Service Agency," funds the administrative expenses of program administration and other functions assigned to FSA. The funds consist of appropriations and transfers from the CCC export credit guarantees, Public Law 480 loans, and agricultural credit insurance fund program accounts, and miscellaneous advances from other sources. All administrative funds used by FSA are consolidated into one account. The consolidation provides clarity and better management and control of funds, and facilitates accounting, fiscal, and budgetary work by

eliminating the necessity for making individual allocations and allotments and maintaining and recording obligations and expenditures under numerous separate accounts.

COMMITTEE RECOMMENDATIONS

For salaries and expenses of the Farm Service Agency [FSA], including funds transferred from other program accounts, the Committee recommends \$1,273,709,000. This amount is \$24,111,000 more than the fiscal year 2003 appropriation. This amount does not include \$110,000 for FECA administrative charges, as requested in the budget.

The Committee recognizes the pressures FSA has been under to downsize staff levels. However, concerns have been raised about the criteria being used for further staff reductions and the potential impact these reductions will have on farm services in all States. Until these concerns have been addressed, States in compliance with the original Espy reorganization plan should not be required to undertake further staff reductions.

The Committee provides \$750,000 for comprehensive environmental and cultural resources training, review and compliance programs for employees and provides \$250,000 for third party review of and assistance for environmental and cultural resource documentation and assessments. The Committee strongly encourages the Department to identify and partner with a private sector entity to develop this program. Preference should be provided to an entity that has a demonstrated track record in successfully developing environmental training programs for Federal employees of other government agencies and should be accredited by a land grant university or other higher learning institution. Special consideration should be given to identifying an entity that also meets the general guidelines of a small business with annual receipts under \$6,000,000 in accordance with the NAICS guidelines.

The Committee notes the FSA headquarters in the State of Alaska lacks the necessary staff to adequately support an area one-fifth the size of the United States. The Committee has provided \$100,000 to hire an information technology specialist and a clerical support person in the Palmer office.

Peanut Promotion Assessments.—Historically, the Farm Service Agency [FSA] has deducted assessments, which are mandated by Federal and State laws, when peanuts go into the United States Department of Agriculture [USDA] loan program. These assessments are used to fund research and promotion programs that peanut growers vote for in referenda conducted pursuant to Federal and State laws.

In 2002, FSA did not collect any peanut promotion assessments. Because of this inaction, great confusion occurred in the marketplace and inhibited the ability of peanut growers to fund their research and promotion programs. Therefore, the Committee directs FSA to continue to collect assessments as mandated by Federal and State statutes when peanuts are placed under loan. Within 6 months of the date of enactment of this Act, FSA shall provide a report to the Committee on its efforts to implement this directive.

STATE MEDIATION GRANTS

Appropriations, 2003	\$3,974,000
Budget estimate, 2004	4,000,000
Committee recommendation	3,974,000

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

COMMITTEE RECOMMENDATIONS

The Committee recommends \$3,974,000 for State mediation grants. This amount is the same as the fiscal year 2003 appropriation.

DAIRY INDEMNITY PROGRAM

Appropriations, 2003	\$100,000
Budget estimate, 2004	100,000
Committee recommendation	100,000

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

COMMITTEE RECOMMENDATIONS

For the dairy indemnity program, the Committee recommends \$100,000. This amount is the same as the fiscal year 2003 appropriation.

AGRICULTURAL CREDIT INSURANCE FUND PROGRAM ACCOUNT

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

FSA is also authorized to provide financial assistance to borrowers by guaranteeing loans made by private lenders having a contract of guarantee from FSA as approved by the Secretary of Agriculture.

The following programs are financed through this fund:

Farm Ownership Loans.—Made to borrowers who cannot obtain credit elsewhere to restructure their debts, improve or purchase farms, refinance nonfarm enterprises which supplement but do not supplant farm income, or make additions to farms. Total indebtedness to FSA may not exceed \$200,000 for direct loans and \$759,000 for guaranteed loans. Loans are made for 40 years or less.

Farm Operating Loans.—Provide short-to-intermediate term production or chattel credit to farmers who cannot obtain credit elsewhere, to improve their farm and home operations, and to develop or maintain a reasonable standard of living. Total indebtedness to FSA may not exceed \$200,000 for direct loans and \$759,000 for guaranteed loans. The term of the loan varies from 1 to 7 years.

Credit Sales of Acquired Property.—Property is sold out of inventory and is made to an eligible buyer by providing FSA loans.

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

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

COMMITTEE RECOMMENDATIONS

The Committee recommends a total level for farm loans of \$3,248,475,000. This amount is \$663,585,000 less than the fiscal year 2003 level.

The following table reflects the program levels for farm credit programs administered by the Farm Service Agency recommended by the Committee, as compared to the fiscal year 2003 and the budget request levels:

AGRICULTURAL CREDIT PROGRAMS—LOAN LEVELS

[In thousands of dollars]

	Fiscal year 2003 enacted	Fiscal year 2004 budget	Committee rec- ommendation
Farm ownership:			
Direct	129,155	140,149	129,158
Guaranteed	993,500	1,000,000	950,000
Farm operating:			
Direct	601,068	650,000	601,068
Guaranteed unsubsidized	1,688,950	1,400,000	1,200,000
Guaranteed subsidized	397,400	266,249	266,249
Indian tribe land acquisition	1,987	2,000	2,000
Boll weevil eradication loans	100,000	60,000	100,000
Total, farm loans	3,912,060	3,518,398	3,248,475

LOAN SUBSIDIES AND ADMINISTRATIVE EXPENSES LEVELS

(In thousands of dollars)

	Subsidies			Administrative expenses		Total ACIF
	Insured loan	Guaranteed loan	Total	Appropriations	Transfer to FSA	
Appropriations, 2003	118,917	107,884	226,801	7,948	277,361	512,110
Budget estimate, 2004	124,675	86,020	210,695	8,000	290,136	508,831
Committee recommendation	115,192	79,090	194,282	7,948	283,020	485,250

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

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

(In thousands of dollars)

	2003 enacted	2004 budget	Committee recommendation
Loan subsidies:			
Farm ownership:			
Direct	14,995	30,945	28,518
Guaranteed	7,451	5,400	5,130
Farm operating:			
Direct	103,744	93,730	86,674
Guaranteed unsubsidized	53,540	46,620	39,960
Guaranteed subsidized	46,893	34,000	34,000
Indian tribe land acquisition ¹	178	.....	.....
Boll weevil eradication loans ² .....	.....	.....	.....
Total, loan subsidies	226,801	210,695	194,282
ACIF expenses	285,309	298,136	290,968

¹ Negative subsidy rate for fiscal year 2004 is calculated for this program.

² Negative subsidy rate for fiscal years 2003 and 2004 is calculated for this program.

RISK MANAGEMENT AGENCY

Appropriations, 2003	\$70,248,000
Budget estimate, 2004	78,488,000
Committee recommendation	71,422,000

The Risk Management Agency performs administrative functions relative to the Federal crop insurance program that is authorized by the Federal Crop Insurance Act (7 U.S.C. 1508), as amended by the Agricultural Risk Protection Act of 2000 [ARPA], Public Law 106-224, and the Farm Security and Rural Investment Act of 2002 (2002 Act), Public Law 107-171.

ARPA authorized significant changes in the crop insurance program. This Act provides higher government subsidies for producer premiums to make coverage more affordable; expands research and development for new insurance products and under-served areas through contracts with the private sector; and tightens compliance. Functional areas of risk management are: research and development; insurance services; and compliance, whose functions include policy formulation and procedures and regulations development.

The 2002 Act maintains the basic crop insurance program largely without change. This Act also requires the continuation of the Adjusted Gross Revenue [AGR] pilot program, which provides insur-

ance coverage for crops for which traditional crop insurance is not available. However, the 2002 Act eliminates the ARPA provision that allowed selection of continuous coverage levels, rather than coverage levels at fixed intervals.

COMMITTEE RECOMMENDATIONS

For administrative and operating expenses for the Risk Management Agency, the Committee recommends an appropriation of \$71,422,000. This amount is \$1,174,000 more than the fiscal year 2003 appropriation. This amount does not include \$18,000 for FECA administrative charges, as requested in the budget.

The Committee is concerned that there are several provisions in the crop insurance program that have been harmful to potato producers. Therefore, RMA is directed to work with potato producers to identify these problems and report its findings to the Committee within 180 days of the enactment of this Act.

The Committee does not include the administration's legislative proposal to reduce the crop insurance administrative expense reimbursement from 24.5 percent to 20 percent. This proposal has the potential to disrupt crop insurance services to farmers by forcing consolidation or withdrawal of companies that currently provide crop insurance. In 2002, crop insurance provided more than \$3,800,000,000 to farmers affected by drought, and farmers' reliance on the program continues to grow. The Committee believes that renegotiation of the standard reinsurance agreement would be a more appropriate means by which to adjust the reimbursement rate.

The Risk Management Agency continues to develop a Cost of Production [COP] crop insurance pilot program that includes 12 crops: almonds, apricots, cotton, corn, cranberries, nectarines, onions, peaches, soybeans, sugarcane, rice, and wheat. The Committee instructs RMA to include hard, soft, and durum sub-classes of wheat when implementing the COP pilot program for wheat.

The Committee is aware of the benefits to producers of risk management programs like the Dairy Options Pilot Program. The program introduces dairy farmers to the futures and options markets and gives producers first-hand experience in buying put options contracts to ensure a minimum price for their milk. The Committee encourages the Agency to continue funding this important risk management program.

The Committee is aware that the cap on RMA's assigned risk pool has not been updated for States since 1997, but that new negotiations should be complete in fiscal year 2004, and take effect by the 2005 crop year. However, since 1997, many States have experienced extreme weather and other conditions which have caused significantly higher losses than anticipated when their current caps were negotiated. Therefore, the Committee recommends that RMA should begin now to work with individual States, as appropriate, to adjust their risk pool caps in order to more adequately reflect the needs of each State.

The Committee encourages RMA to develop and implement an actuarially-sound rider option to the current crop insurance program for avocados to cover losses due to quarantines, and to do so in close cooperation with the California avocado industry. The

Committee further requests the Department to report on the economic impacts of recent domestic quarantines and to analyze options for protecting avocado growers against future losses due to such regulatory actions. The Committee expects the Department to report within 6 months on its progress in developing a program for a rider option for avocado crop insurance that will address future quarantines imposed due to any injurious pest or disease, including fruit fly infestation.

CORPORATIONS

FEDERAL CROP INSURANCE CORPORATION FUND

Appropriations, 2003 ¹	\$2,886,000,000
Budget estimate, 2004 ^{1 2}	3,368,000,000
Committee recommendation ¹	3,368,000,000

¹ Current estimate. Such sums as may be necessary, to remain available until expended, are provided.

² Does not include a reduction of \$81,000,000 to reflect the impact of Section 723 as proposed in the budget request.

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

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

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

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 \$100 per crop per policy.

The Agricultural Risk Protection Act of 2000 [ARPA] amended the Federal Crop Insurance Act to strengthen the safety net for agricultural producers by providing greater access to more affordable risk management tools and improved protection from production and income loss, and to improve the efficiency and integrity of the Federal crop insurance program. ARPA allows for the improvement of basic crop insurance products by implementing higher premium subsidies to make buy-up coverage more affordable for producers; make adjustments in actual production history guarantees; and revise the administrative fees for catastrophic [CAT] coverage. More crops and commodities have become insurable through pilot programs effective with the 2001 crop year. ARPA provides for an investment for over \$8,200,000,000 in 5 years to further improve Federal crop insurance.

COMMITTEE RECOMMENDATIONS

For the Federal Crop Insurance Corporation fund, the Committee recommends an appropriation of such sums as may be necessary,

estimated to be \$3,368,000,000. This amount is \$482,000,000 more than the current fiscal year 2003 estimate.

COMMODITY CREDIT CORPORATION FUND

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

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

Corporation activities are primarily governed by the following statutes: the Commodity Credit Corporation Charter Act, as amended; the Agricultural Act of 1949, as amended (1949 Act); the Agricultural Adjustment Act of 1938, as amended (the 1938 Act); the Food Security Act of 1985, as amended (1985 Act); and the Farm Security and Rural Investment Act of 2002 (2002 Act), enacted May 13, 2002.

Under the 2002 Act, the Secretary is required to offer a program of direct and counter-cyclical payments and extend nonrecourse marketing assistance loans and loan deficiency payments for contract commodities (soybeans, wheat, corn, grain sorghum, barley, oats, upland cotton, rice, other oilseeds, and peanuts). The 2002 Act also provides for marketing loans for wool, mohair, honey, small chickpeas, lentils and dry peas. A national Dairy Market Loss Payment [DMLP] program is established by the 2002 Act, providing that producers enter into contracts extending through September 30, 2005. A milk price support program is also provided to support the price of milk via purchases of butter, cheese, and nonfat dry milk. The rate of support is \$9.90 per hundredweight.

The 2002 Act directs the Secretary to operate the sugar program at no cost to the U.S. Treasury by avoiding sugar loan forfeitures in the nonrecourse loan program. The nonrecourse loan program is reauthorized through fiscal year 2007 at 18 cents per pound for raw cane sugar and 22.9 cents per pound for refined beet sugar.

In the conservation area, the 2002 Act extends and expands the conservation reserve program [CRP], the wetlands reserve program [WRP], the environmental quality incentives program [EQIP], the

farmland protection program [FPP], and the wildlife habitat incentives program [WHIP]. Each of these programs is funded through the CCC.

The 2002 Act also authorizes and provides CCC funding for other conservation programs, including the conservation security program and the grassland reserve program.

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

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

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

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

REIMBURSEMENT FOR NET REALIZED LOSSES

Appropriations, 2003 ¹	\$16,285,000,000
Budget estimate, 2004 ¹	17,275,000,000
Committee recommendation ¹	17,275,000,000

¹ Current estimate. Such sums as may be necessary are provided.

COMMITTEE RECOMMENDATIONS

For the payment to reimburse the Commodity Credit Corporation [CCC] for net realized losses, the Committee recommends an appropriation of such sums as may be necessary, estimated in fiscal year 2004 to be \$17,275,000,000. This amount is \$990,000,000 more than the current estimated limitation.

HAZARDOUS WASTE MANAGEMENT

Limitation, 2003	\$5,000,000
Budget estimate, 2004	5,000,000
Committee recommendation	5,000,000

The Commodity Credit Corporation's [CCC] hazardous waste management program is intended to ensure compliance with the Comprehensive Environmental Response, Compensation, and Liability Act and the Resource Conservation and Recovery Act. The CCC funds operations and maintenance costs as well as site investigation and cleanup expenses. Investigative and cleanup costs associated with the management of CCC hazardous waste are also paid from USDA's hazardous waste management appropriation.

COMMITTEE RECOMMENDATIONS

For Commodity Credit Corporation hazardous waste management, the Committee provides a limitation of \$5,000,000. This amount is the same as the fiscal year 2003 limitation.

TITLE II—CONSERVATION PROGRAMS

OFFICE OF THE UNDER SECRETARY FOR NATURAL RESOURCES AND ENVIRONMENT

Appropriations, 2003	\$740,000
Budget estimate, 2004	918,000
Committee recommendation	761,000

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

COMMITTEE RECOMMENDATIONS

For the Office of the Under Secretary for Natural Resources and Environment, the Committee recommends an appropriation of \$761,000. This amount is \$21,000 more than the fiscal year 2003 appropriation.

The Committee continues its opposition to administration proposals to fund technical assistance for Farm Bill conservation programs from discretionary accounts provided in this Act. The Committee provides statutory language under the Conservation Operations, the Watershed Surveys and Planning, the Watershed and Flood Prevention Operations, and the Watershed Rehabilitation Program accounts to prohibit the use of any funds appropriated under these accounts to provide technical assistance to carry out programs listed in section 1241(a) of the Food Security Act of 1985.

The Committee notes that section 2701 of the Farm Security and Rural Investment Act of 2002 provides for the certification of third party providers to assist in the implementation of conservation programs. However, it should be noted that the stated purpose of this provision was to meet the immediate technical assistance needs to carry out the many new conservation programs included in the 2002 Farm Bill. This authorization was not intended to supplant current USDA conservation positions, but to supplement them during this period of increasing workload in much the same way the Farm Service Agency would hire temporary employees to implement new or time sensitive commodity programs. The Committee does recognize that the inclusion of third party providers will meet many of the short term objectives of competitive sourcing and, therefore, strongly believes that any positions employed under the authorization of section 2701 be applied to any numerical competitive sourcing goals that may be assigned to the Department.s

NATURAL RESOURCES CONSERVATION SERVICE

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

The conservation activities of the Natural Resources Conservation Service are guided by the priorities and objectives as set forth in the National Conservation Program [NCP] which was prepared in response to the provisions of the Soil and Water Resources Conservation Act of 1977 [RCA] (Public Law 95-192). The long-term objectives of the program are designed to maintain and improve the soil, water, and related resources of the Nation's nonpublic lands by: reducing excessive soil erosion, improving irrigation efficiencies, improving water management, reducing upstream flood damages, improving range condition, and improving water quality.

CONSERVATION OPERATIONS

Appropriations, 2003	\$819,641,000
Budget estimate, 2004	703,605,000
Committee recommendation	826,635,000

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

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

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

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

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

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

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

COMMITTEE RECOMMENDATIONS

For conservation operations, the Committee recommends an appropriation of \$826,635,000. This amount is \$6,994,000 more than the 2003 level. This amount does not include \$198,000 for FECA administrative charges, as requested in the budget.

For fiscal year 2004, the Committee recommends funding increases, as specified below, for new and ongoing conservation activities. Amounts provided by the Committee for specific conservation measures shall be in addition to levels otherwise made available to States.

Projects identified in the Senate directives as contained in the Congressional Record of January 15, 2003, pages S356–S410, and Conference Report 108–10 that were directed to be funded by the Committee for fiscal year 2003 are not funded for fiscal year 2004, unless specifically mentioned herein.

The Committee provides \$1,500,000 to continue the Georgia Agricultural Water Conservation Initiative.

The Committee directs the agency to maintain a national priority area pilot program under the guidelines of the Environmental Quality Incentives Program [EQIP] in the Delta of the State of Mississippi.

The Committee provides \$900,000 for a study to characterize the on-site consequences, estimate off-site impacts, and develop strategies to facilitate land use change while preserving critical natural resources. The agency is directed to work in cooperation with Clemson University.

The Committee provides \$290,000 to expand the cooperative efforts with the Claude E. Phillips Herbarium in the State of Delaware.

The Committee provides \$3,000,000 to maintain a partnership between USDA and the National Fish and Wildlife Foundation.

The Committee provides \$23,500,000 for the Grazing Lands Conservation Initiative, of which no less than \$550,000 shall be for grazing land conservation activities in the State of Wisconsin.

The Committee provides \$350,000 to obtain and evaluate materials and seeds of plants indigenous to regions north of 52 degrees North Latitude and equivalent vegetated regions in the Southern

Hemisphere (south of 52 degrees South Latitude). The Committee directs the agency to continue working in conjunction with the Alaska Division of Agriculture in this effort.

The Committee provides \$500,000 for a cooperative agreement with Western Kentucky University.

The Committee provides \$700,000 to continue support of agricultural development and resource conservation on the Island of Molokai in the State of Hawaii.

The Committee recognizes the need for a special outreach effort so that USDA can serve small-scale Appalachian farmers in sustaining agriculture production while protecting natural resources. The Committee provides \$860,000 for the Appalachian Small Farmer Outreach Program. Sound economic grazing systems, marketing strategies, and uniformity of production quality will ensure the competitiveness of livestock operations and help maintain small farm enterprises. This initiative will provide livestock producers access to the needed one-on-one assistance.

The Committee provides \$1,500,000 for technical assistance for the Franklin County Lake Project in the State of Mississippi.

The Committee expects NRCS to continue to support all existing offices in the State of Alaska at current levels. Also, the Committee notes that currently all administrative functions for NRCS are handled out of Spokane, Washington—1,000 miles from the Alaska headquarters. The Committee directs the agency to provide an additional two staff positions to enable the Palmer office to manage human resources, budget, and contracting operations in Alaska.

The Committee directs the agency to work with soil scientists at regional land-grant universities to continue the pilot project in Washington, Sharkey and Yazoo Counties, Mississippi, to determine the proper classification and taxonomic characteristics of Sharkey soils.

The Committee provides \$1,200,000 to address the erosion in the Loess Hills/Hungry Canyon area in Western Iowa. The Committee is aware that the Eastern Red Cedar and other invasive species of woody plants are having a very negative effect on prairies in the Loess Hills, a unique soil important to many rare animals and plants. The Committee encourages the Department to support efforts to minimize this problem.

The Committee provides \$160,000 to conduct nitrogen soil tests and plant-available nitrogen tests, and to demonstrate poultry litter and wood composting in an effort to improve farmers' economic returns and minimize potential water quality conditions resulting from excess application of nutrients from manure and fertilizers on West Virginia's cropland.

The Committee provides \$1,425,000 for the Delta Conservation Demonstration Center in Washington County, Mississippi.

The Committee provides \$200,000 to continue the Idaho One-Plan in Canyon County, Idaho.

The Committee provides \$300,000 to continue the expansion of the Potomac and Ohio River Basins Soil Nutrient Project to include Jefferson, Berkeley, and Greenbrier Counties. This funding will enable the NRCS, in cooperation with West Virginia University and the Appalachian Small Farming Research Center, Natural Soil Survey Laboratory in Lincoln, NE to identify and characterize

phosphorous movement in soils to determine appropriate transportation, the holding capacity, and the management of phosphorous. This information is critical in helping Appalachian farmers deal with nutrient loading issues and in protecting the Chesapeake Bay from eutrophication and the Ohio River, Mississippi River, and Gulf of Mexico from depletion of life-sustaining oxygen.

The Committee provides \$350,000 for evaluating and increasing native plant materials in the State of Alaska.

The Committee provides \$1,000,000 for technical assistance for the Tanana River watershed project in Salcha, Alaska.

The Committee provides \$800,000 for the continued development of a geographic information system database in the State of South Carolina to integrate commodity and conservation program data at the field level for watershed analysis purposes.

The Committee provides \$9,500,000 for Snow Survey and Water Supply Forecasting, which includes full funding for activities related to snowpack telemetry [SNOTEL].

The Committee provides \$600,000 to provide technical assistance for improved nutrient management and protection of water resources in the Lake Tahoe Basin.

The Committee provides \$450,000 for the Little Red River Irrigation Project in the State of Arkansas.

The Committee provides \$3,000,000 to provide technical assistance for the Kentucky Soil Erosion Control/Soil Survey Program.

The Committee provides \$1,000,000 for cattle and nutrient management in stream crossings in cooperation with Mississippi Conservation Districts.

The Committee provides \$400,000 to continue the Certified Environmental Management Systems for Agriculture in cooperation with the Iowa Soybean Association.

The Committee provides \$4,500,000 for the establishment of a Geographic Information System Center of Excellence in cooperation with West Virginia University.

The Committee encourages the agency to support watershed management and demonstration projects in cooperation with the National Pork Producers Council.

The Committee provides \$175,000 for a cooperative agreement between NRCS and Alcorn State University for the analysis of soil erosion and water quality.

The Committee provides \$6,459,000 for the Wildlife Habitat Management Institute [WHMI] for the development and transfer of fish and wildlife technology to States and field offices. The Committee expects WHMI to expand the development of technology to improve the habitat of declining species such as the bobwhite quail, sage grouse, and associated species.

The Committee provides \$1,000,000 to continue the conversion to sprinkler irrigation in the vicinity of Minidoka, Idaho, in order to reduce water quality impairments resulting from the return of water runoff to the aquifer by way of agricultural drain wells.

The Committee provides \$900,000 for the New Jersey State Conservation Cost Share Program.

The Committee provides \$600,000 to continue assistance for conservation programs related to cranberry production in the States of Massachusetts and Wisconsin.

The Committee provides \$300,000 to provide expedited conservation planning of the Lake Okeechobee Watershed project in the State of Florida. The Committee expects the agency to work in cooperation with the Florida Department of Agriculture and Consumer Services.

The Committee provides \$500,000 for the ecological site description project in the State of Idaho. The Committee directs the agency to work in cooperation with the Idaho Association of Soil Conservation Districts.

The Committee provides \$400,000 for fiscal year 2004 for flood protection around the Humphreys County Hospital and the City of Belzoni, Humphreys County, Mississippi.

The Committee provides \$250,000 for the Utah CAFO/AFO pilot project.

The Committee provides \$500,000 for geographic information system based mapping and hyperspectral imaging of agricultural lands in the State of Alaska.

The Committee provides \$2,500,000 for a native grassland demonstration project in the vicinity of Tar Creek, Oklahoma.

The Committee provides \$1,100,000 for the Dry Creek project in the State of Utah.

The Committee provides \$100,000 for fiscal year 2003 for drainage improvements on Watkins Drive in the City of Jackson, Mississippi.

The Committee provides \$300,000 for fiscal year 2003 for drainage improvements in the City of Port Gibson, Mississippi.

The Committee provides \$500,000 for a study to examine the environmental benefits of using vegetative buffers along waterways. The agency is directed to work in cooperation with the University of Wisconsin-Madison.

The Committee provides \$500,000 for conservation programs in the Great Lakes Watershed.

The Committee expects the NRCS to work in conjunction with the ARS Dairy Forage Laboratory in Madison, Wisconsin, regarding dairy waste management and in the development of a working arrangement regarding planned expansion of the Dairy Forage Laboratory activities at Marshfield, Wisconsin and the possible establishment of a NRCS Waste Management Institute at that location.

The Committee provides \$6,000,000 to implement the Source Water Protection Program and encourages that these funds be used in States with the greatest needs.

The Committee provides \$300,000 to assist in the Wyoming soil survey mapping project.

The Committee notes that the Natural Resource Inventory [NRI] has not included the State of Alaska due to factors such as accessibility of remote locations, climate, and staff availability. The Committee believes that natural resources data collection in Alaska is of critical national importance. As such, the Committee provides an additional \$1,500,000 for NRI pilot activity development in Alaska and directs NRCS to provide no later than December 30, 2004 a report describing the technology, personnel, and other resources needed to include Alaska in the NRI annual reporting system.

The Committee provides \$120,000 for the Conservation Land Internship Program in the State of Wisconsin to help students learn about resource conservation.

The Committee provides \$500,000 for fiscal year 2003 for technical assistance in the State of North Carolina to address concerns with the application of phosphorous on agricultural lands.

The Committee provides \$200,000 for the Old Canton Road erosion control project in Hinds County, Mississippi.

The Committee is disturbed that the State of Alaska has largely been ignored thus far in the implementation of the Farm Security and Rural Investment Act of 2002 (Farm Bill). The Committee notes that while Alaska comprises 20 percent of the United States, it has received minimal funding from participation in the Wildlife Habitat Incentives Program, the Environmental Quality Incentives Program, the Wetlands Reserve Program, as well as conservation and watershed technical assistance. The Committee directs the Secretary to take all necessary measures to maximize participation and to provide a fair allocation of resources under the Farm Bill to Alaska. The Committee directs the Secretary to report on her actions by January 15, 2004.

The Committee provides \$800,000 for additional conservation technical assistance funding to Kentucky Soil Conservation Districts.

The Committee provides \$500,000 for a study to examine the effect of vegetation manipulation on water yields and other watershed functions. The agency is directed to work in cooperation with Utah State University.

The Committee provides \$2,100,000 for the Georgia Soil and Water Conservation Commission cooperative agreement.

The Committee provides \$467,000 for bank stabilization and channel improvement work in the Oaklimer Watershed in the State of Mississippi.

The Committee provides \$100,000 for a surface water impoundment in Choctaw County, Mississippi.

The Committee provides \$300,000 for the Richland Creek Watershed in Rankin County, Mississippi.

The Committee provides \$780,000 for the Lower Payette Ditch Irrigation Diversion Project in the State of Idaho.

The Committee provides \$300,000 for the West Cary Watershed and Farmland Protection Project in the State of North Carolina.

The Committee provides \$500,000 for range revegetation at Fort Hood in the State of Texas.

The Committee understands that pursuant to a 1988 memorandum of understanding, Indian Conservation Districts were transferred from the Bureau of Indian Affairs within the Department of the Interior to NRCS. This transfer has significantly increased the workload for NRCS offices in States with former Indian Conservation Districts. The Committee is concerned that funding for affected offices has not kept pace with the increased workloads and that services to these communities may have suffered. Within 120 days of enactment of this legislation, NRCS shall review all offices that incorporated Indian Conservation Districts and assess service delivery, staffing needs, and funding requirements. The

agency shall report its findings to the Committee on Appropriations no later than 60 days after completion of its review.

The Committee provides \$500,000 for the Innovative Environmental Technologies program in the State of Indiana.

The Committee provides \$250,000 for technical assistance for a water project in Hardin County, Kentucky.

The Committee provides \$300,000 for the McCarthy Watershed project in the State of Alaska.

The Committee provides \$500,000 for a cooperative agreement with the University of Northern Iowa.

The Committee provides \$500,000 for a cooperative agreement with the Alaska Soil and Water Conservation District.

The Committee provides \$500,000 for the continued development of a conjunctive use optimization model in the Pawcatuck Watershed in the State of Rhode Island.

The Committee provides \$300,000 for the testing of emerging alternative technology in the State of Vermont to reduce phosphorus loading in Lake Champlain.

The Committee provides \$900,000 for a surface water impoundment in the Port De Luce Watershed in the State of Louisiana.

The Committee provides \$300,000 for a study on the effectiveness of agriculture and forestry best management practices on water quality. The Committee directs the agency to work in cooperation with Louisiana State University.

The Committee provides \$300,000 for a cooperative agreement with the Wisconsin Tribal Conservation Advisory Committee for conservation and sustainable agricultural activities.

The Committee provides \$1,000,000 for a cooperative agreement with the Sand County Foundation in the State of Wisconsin to carry out an expanded nitrogen removal test project.

The Committee provides \$300,000 for a cooperative agreement with the University of Wisconsin-Platteville for the Pioneer Farm project.

The Committee provides \$600,000 to carry out riparian restoration activities along the Rio Grande and Pecos Rivers in the State of New Mexico.

The Committee provides \$150,000 for the evaluation of manure management systems in the State of New York. These systems should be developed in a manner to control phosphorous, nitrogen, pathogens, and odors through the implementation of best alternative manure management systems that will help maintain economic viability on farms in the Northeast.

The Committee provides \$600,000 for a cooperative agreement with Tufts University to conduct pilot programs in the State of Connecticut to improve conservation practices and enhance the diversification of agricultural production in the area.

The Committee is aware that Devils Lake in the State of North Dakota is now more than 25 feet higher than it was in 1993, and the local community has been working with NRCS for many years on options to address flooding in this basin. To advance these efforts, the Committee provides \$600,000 to the North Central Planning Council so that it may work with the Devils Lake Basin Joint Water Resource Board on a Devils Lake water utilization test

project to determine to what extent excess water from Devils Lake can be used to irrigate land for beneficial use.

The Committee provides \$1,490,000 to continue the Red River Basin Flood Prevention Project in the State of North Dakota in cooperation with the Energy and Environmental Research Center.

The Committee provides \$450,000 for assistance in the Iroquois River Watershed in Iroquois County, Illinois.

The Committee provides \$250,000 for the Illinois River Agricultural Water Conservation Project in the State of Illinois, in conjunction with Ducks Unlimited.

The Committee provides \$250,000 for a wildlife habitat education program in the State of Illinois, in conjunction with the National Wild Turkey Federation.

The Committee provides \$900,000 to continue implementation of pilot projects designed for nutrient reducing waste treatment systems for dairy operations in the State of Florida.

The Committee has been informed on the importance of Eelgrass habitats to marine ecosystems along the coast of the Atlantic Ocean. Eelgrass is a primary source of food for many plants and animals in areas such as Narragansett Bay in the State of Rhode Island and provides many additional conservation benefits, such as protection of the coastline from erosion. The Committee urges the Department to give consideration to the use of EQIP funding for projects in Rhode Island, and similar areas, that will enhance these habitats.

Section 2503 of the Farm Security and Rural Investment Act of 2002 authorizes a Farm Viability Program through which producers may receive assistance for planning and implementation of strategies for long-term economic viability of farming operations, including conservation practices. The Committee provides \$200,000 to establish a Pilot Farm Viability Program Project in the State of Vermont.

The Committee provides \$250,000 for assistance for an On Farm Management Systems Evaluation Network.

The Committee provides \$750,000 to continue the Delta Water Resources Study in the State of Mississippi.

The Committee provides \$250,000 for an erosion control project in Rankin County, Mississippi.

The Committee provides \$500,000 for a cooperative agreement with the Alabama Department of Conservation and Natural Resources for conservation education.

Plant Materials Centers.—The Committee provides no less than \$11,269,000 for NRCS plant material centers.

The Committee notes the need for extensive rehabilitation and restoration of public lands in Western States, such as Nevada, which is required to reduce hazardous fuels on those lands, reduce the threat of wildfires, and conserve wildlife habitat. The Committee believes there is a need to develop a program and location related to productive and successful native plant materials and restoration. Toward that goal, the Committee provides \$500,000 for the establishment of a plant materials center in the vicinity of Fallon, Nevada.

The Committee provides \$375,000 for the planning and design of a new storage facility at the Alaska Plant Materials Center.

FARM BILL TECHNICAL ASSISTANCE

Appropriations, 2003	
Budget estimate, 2004	\$432,160,000
Committee recommendation	

The Farm Bill Technical Assistance account funds all of the technical assistance costs of certain conservation programs authorized by the Farm Security and Rural Investment Act of 2002 (Public Law 107-171). These are the same conservation programs included in NRCS's Farm Security and Rural Investment Programs account—the Environmental Quality Incentives Program, Ground and Surface Water Conservation, Klamath Basin Water Conservation, Farmland Protection Program, Wildlife Habitat Incentives Program, Wetlands Reserve Program, Grassland Reserve Program, and Conservation Security Program. The Farm Security and Rural Investment Programs account funds the financial assistance needed to deliver conservation measures on agricultural lands. The Farm Bill Technical Assistance account would fund the technical assistance needed to plan, design, layout, and install conservation systems funded by the 2002 Farm Bill programs. This would include both NRCS's technical assistance costs, as well as the costs for certified, non-Federal technical service providers to provide technical assistance to farmers and ranchers for 2002 Farm Bill programs.

COMMITTEE RECOMMENDATIONS

The Committee does not provide funding for the Farm Bill Technical Assistance Account. This subject is addressed under the Office of the Under Secretary for Natural Resources and Environment.

WATERSHED SURVEYS AND PLANNING

Appropriations, 2003	\$11,124,000
Budget estimate, 2004	5,000,000
Committee recommendation	10,000,000

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 Investigation Program (16 U.S.C. 1006-1009). A separate appropriation funded the two programs until fiscal year 1996 when they were combined into a single appropriation, watershed surveys and planning.

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

Watershed planning activities provide for cooperation between the Federal Government and the States and their political subdivi-

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

COMMITTEE RECOMMENDATIONS

For watershed surveys and planning, the Committee recommends an appropriation of \$10,000,000. This amount is \$1,124,000 less than the fiscal year 2003 appropriation.

WATERSHED AND FLOOD PREVENTION OPERATIONS

Appropriations, 2003	\$109,285,000
Budget estimate, 2004	40,000,000
Committee recommendation	55,000,000

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

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

COMMITTEE RECOMMENDATIONS

For watershed and flood prevention operations, the Committee recommends an appropriation of \$55,000,000. This amount is \$54,285,000 less than the fiscal year 2003 appropriation.

The Committee provides funds for the agency to continue assistance for the Potomac Headwaters Land Treatment Project in the State of West Virginia.

The Committee provides funds for the agency to complete measures regarding the Upper Tygart Valley Watershed, Upper Deckers Creek Watershed, and Little Whitestick Creek Channel improvements in the State of West Virginia.

The Committee provides funds for the agency to continue assistance for the Lost River Watershed Project in the State of West Virginia.

The Committee provides funds for the agency to complete the Square Butte Project in the State of North Dakota.

The Committee provides funds for the agency to continue assistance for Big Creek/Hurricane Creek, Moniteau Creek, East Locust Creek, West Fork of Big Creek, East Yellow Creek, McKenzie Creek, Hickory Creek, East Fork of Grand River, Troublesome Creek, Willow Cravens Creek, and Upper Locust Creek projects in the State of Missouri.

The Committee provides funds for the agency to complete the Lower Hamakua Ditch Watershed, Upcountry Maui Watershed, Lahaina Watershed, and the Wailuku-Alenaio Watershed projects in the State of Hawaii.

The Committee provides funds for the agency to complete the Kuhn Bayou Project in the State of Arkansas.

The Committee provides funds for the agency to provide assistance for the Ditch 26 Improvement Project in Jonesboro, Arkansas.

The Committee provides funds for the agency to continue assistance for the Turkey Creek, Troublesome Creek, 12-Mile Creek, East Fork of Grand River, West Fork of Big Creek, A&T Longbranch, Mill Creek, Hacklebarney, Bear Creek, Little Paint, Mill-Pacauyne, Soap Creek, Little Sioux River, and West Tarkio Creek projects in the State of Iowa.

The Committee provides funds for the agency to complete the Dry Gulch-Martin Lateral, Muddy Creek-Orderville, Tri-Valley, and Coal Creek projects in the State of Utah.

The Committee provides funds for the agency to continue assistance for small watershed projects in the State of Vermont.

The Committee provides funds for the Muenster Lake Project in the State of Texas.

The Committee provides funds for the agency to continue assistance for the Piney Creek Watershed Project in Yazoo County, Mississippi.

The Committee provides funding for the agency to continue assistance for the Matanuska River Erosion Control Project in the State of Alaska.

The Committee provides funds for the agency to continue assistance for the construction of the Town Creek Floodwater Retarding Structure #8 in Lee County, Mississippi.

The Committee provides funds for the agency to begin assistance in the Marmaton Watershed in the State of Kansas.

WATERSHED REHABILITATION PROGRAM

Appropriations, 2003	\$29,805,000
Budget estimate, 2004	10,000,000
Committee recommendation	29,805,000

The watershed rehabilitation program account provides for technical and financial assistance to carry out rehabilitation of structural measures, in accordance with Section 14 of the Watershed Protection and Flood Prevention Act, approved August 4, 1954 (U.S.C. 1001 et seq.), as amended by Section 313 of Public Law 106-472, November 9, 2000 (16 U.S.C. 1012), and by section 2505

of the Farm Security and Rural Investment Act of 2002 (Public Law 107-171).

COMMITTEE RECOMMENDATIONS

For the watershed rehabilitation program, the Committee recommends \$29,805,000. This amount is the same as the fiscal year 2003 level.

The Committee directs that funding under this program be provided for rehabilitation of structures determined to be of high priority need in order to protect property and ensure public safety.

RESOURCE CONSERVATION AND DEVELOPMENT

Appropriations, 2003	\$50,668,000
Budget estimate, 2004	49,943,000
Committee recommendation	51,000,000

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

COMMITTEE RECOMMENDATIONS

For resource conservation and development, the Committee recommends an appropriation of \$51,000,000. This amount is \$332,000 more than the 2003 level.

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 and Community Development Service, (currently, the Rural Housing Service), Rural Business and Cooperative Development Service (currently, the Rural Business-Cooperative Service), and Rural Utilities Service and placed them under the oversight of the Under Secretary for Rural Economic and Community Development, (currently, Rural Development). These agencies deliver a variety of programs through a network of State, district, and county offices.

OFFICE OF THE UNDER SECRETARY FOR RURAL DEVELOPMENT

Appropriations, 2003	\$632,000
Budget estimate, 2004	913,000
Committee recommendation	651,000

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

COMMITTEE RECOMMENDATIONS

For the Office of the Under Secretary for Rural Development, the Committee recommends an appropriation of \$651,000. This amount is \$19,000 more than the fiscal year 2003 appropriation.

The Committee is aware the Department has previously provided funding for the National Rural Development Partnership [NRDP]. The NRDP, and its associated State Rural Development Councils, provide technical support and guidance for rural development at the State and local level. The Committee encourages the Department to continue support for this important organization from within available funds.

The Committee recognizes that the town of Tchula, Mississippi, has requested technical and program assistance for housing, business, and other essential community needs. The Committee expects the Secretary to provide additional resources, and encourages the use of available national reserve funds to assist this Delta community.

The Committee applauds the Department for establishing the Centralized Service Center [CSC] in St. Louis, Missouri, which has resulted in significant cost savings. The Committee encourages the

Department to work within USDA and with other Federal agencies to explore the possibility of turning this facility into a Government-wide Federal debt collection center.

The Committee recommends continued staffing and operations of the Rural Business Cooperative Service Office in Hilo, Hawaii, to address the continuing and increasing demands for marketing and purchasing cooperatives.

The Committee is aware of and supports the ongoing activities of the Farm Worker Institute for Education and Leadership Development [FIELD] and encourages the Secretary to support this effort through technical assistance programs available within the Department.

The Committee is concerned that the Department is restricting not-for-profit developer-owners of essential community facilities from entering into contracts to provide services with a third party not-for-profit entity for childcare and other related services. The Committee strongly encourages the Secretary to address this policy prohibition to allow such activities and insure the government's interests are protected with third party contracts. The developer-owner should be responsible for securing Departmental approval for any changes in existing contracts addressing issues that include services provided, liability, maintenance and administrative fees.

The Committee notes that section 6102 of the Farm Security and Rural Investment Act of 2002 authorized the expansion of 911 access for rural areas subject to regulations issued by USDA. To date, USDA has not begun the rulemaking process for this program. The Committee encourages the Department to initiate the rulemaking process as expeditiously as possible to expand and improve 911 access for rural areas.

RURAL COMMUNITY ADVANCEMENT PROGRAM

Appropriations, 2003	\$901,837,000
Budget estimate, 2004	477,864,000
Committee recommendation	769,479,000

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

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

State for the fiscal year, with up to 10 percent of funds allowed to be reallocated nationwide.

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

The Community Facility Grant Program authorized in the Federal Agriculture Improvement and Reform Act of 1996 (Public Law 104-127), is used in conjunction with the existing direct and guaranteed loan programs for the development of community facilities, such as hospitals, fire stations, and community centers. Grants are targeted to the lowest income communities. Communities that have lower population and income levels receive a higher cost-share contribution through these grants, to a maximum contribution of 75 percent of the cost of developing the facility.

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

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

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

The water and waste disposal program is authorized by sections 306, 306A, 309A, 306C, 306D, 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. Grants are made to public bodies and private nonprofit organizations to provide technical assistance to local and regional governments for the purpose of reducing or eliminating pollution of water resources and for improving the planning and management of solid waste disposal facilities.

COMMITTEE RECOMMENDATIONS

For the Rural Community Advancement Program [RCAP], the Committee recommends \$769,479,000. This amount is \$132,358,000 less than the fiscal year 2003 appropriation.

The Committee recognizes that the direct community facilities loan program is an essential tool in addressing basic needs in rural America. The Committee also notes that this program has a negative subsidy rate for fiscal year 2004, the first time since the inception of the program in 1974. Demand for this program far exceeds available funding. To meet the needs for our rural communities, the Committee strongly encourages the Department to consider establishing a program level of \$500,000,000 to meet these needs.

The following table provides the Committee's recommendations, as compared to the fiscal year 2003 and budget request levels:

RURAL COMMUNITY ADVANCEMENT PROGRAM

[Budget authority in thousands of dollars]

	Fiscal year—		Committee recommendation
	2003 appropriation	2004 budget request	
Community:			
Community facility direct loan subsidies	15,762	.....	.....
Community facility grants	25,766	17,000	24,838
Economic impact initiative grants	24,837	.....	25,000
High energy costs grants	29,805	.....	30,000
Subtotal, community	96,170	17,000	79,838
Business:			
Business and industry guaranteed loan subsidies	35,498	29,280	27,000
Rural business enterprise grants	47,679	44,000	48,000
Rural business opportunity grants	3,974	3,000	4,000
Subtotal, business	87,151	76,280	79,000
Utilities:			
Water and waste disposal direct loan subsidies	102,642	35,132	30,141
Water and waste disposal grants	612,374	345,952	577,000
Solid waste management grants	3,500	3,500	3,500
Subtotal, utilities	718,516	384,584	610,641
Total, loan subsidies and grants	901,837	477,864	769,479

Rural Community Advancement Program.—The Committee provides the fiscal year 2003 level of funding for transportation technical assistance.

The Committee directs the Department to continue the Rural Economic Area Partnership [REAP] initiative.

The Committee directs that of the \$24,000,000 provided for loans and grants to benefit Federally Recognized Native American Tribes, \$250,000 be used to implement an American Indian and Alaska Native passenger transportation development and assistance initiative.

Community Facilities Loans and Grants.—The Committee is aware of and encourages the Department to give consideration to applications relating to community facilities for the following: Alaska Rural Telecommunications Service; Illinois Valley Community Arts and Economic Center, OR; Maine Rural Community Innovation Center, MA; Noxubee County Multi-Purpose Facility, MS; Franklin Parish School Renovations, LA; Union and Wallowa Counties Rail Line, OR; City of Port Gibson, MS; Mississippi Blood Services, MS; Southern Plain Conference Center, OK; Elmo, UT; Casey County Agricultural Center, KY; Montana Food Bank, MT; Coshatta Tribe, LA; Jefferson Street Drainage Improvement Project, LA; Grand Isle Multiplex Center, LA; Golden Meadow Multi-purpose Facility, LA; City of Bozeman, MT; City of Port Gibson, MS; Vineland Produce Auction Association, NJ; City of Bayfield, WI; Bawcomville Flood Control Pump, LA; White County Emergency Warning System, AR; Central Upper Peninsula Fitness, Growth and Learning Center, MI; Village of Owego, NY; Heritage Christian Home Center, NY; Salkehatchie Leadership Center, SC; Miles City Improvement District, MT; West Baton Rouge Parish

Communications Center, LA; Donaldsonville Natural Gas Line, LA; Public Ice Facilities, Bristol Bay Borough, AK; Kawerak's Bering Region Cultural Center, Nome, AK; and the Southern Training and Social Services Complex, LA.

Economic Impact Initiative Grants.—The Committee includes statutory language to provide \$25,000,000 for the Rural Community Facilities Grant Program for areas of extreme unemployment or severe economic depression.

High Energy Cost Grants.—The Committee includes statutory language to provide \$30,000,000 for the Rural Community Advancement Program for communities with extremely high energy costs which is to be administered by the Rural Utilities Service.

Business and Industry Loan Program.—The Committee encourages the Department to give consideration to applications for rural business opportunity grants [RBOG] for the following: Santiam Canyon Economic Development, OR; Quinebaug-Shetucket Corridor, CT; and the Louisiana Communication and Information Technology Capability Project, LA.

The Committee includes statutory language to provide for a community planning pilot program in the State of Alaska.

Rural Business Enterprise Grants.—The Committee is also aware of and encourages the Department to give consideration to applications for rural business enterprise grants [RBEG] for the following: Sustainable Systems, MT; Mission Valley Market, MT; Power Applications Resource Center at Montana State University-Northern; University of Montana Business Incubators, MT; Grants to Public Broadcasting Systems; New Product Development and Commercialization Center, OK; Calista Native Corporation, AK; Vineland Produce Auction Association, NJ; Southern Maryland Regional Processing Kitchen and Agriculture Business Incubator, MD; Quinebaug-Shetucket Heritage Corridor, CT; Technology Venture Center TechRanch, MT; New York Agricultural Development, NY; Agricultural Innovation Center, NJ; Hibbing Technology Business Center, MN; Kershaw County Industrial Park, SC; Southeastern Massachusetts Agricultural Partnership, MA; Continental Structural Plastics, LA; Quachita Terminal and Dock, LA; Bering Straits Native Corporation, Nome, AK; Vermont Maple Industry Council; Covington Northern Kentucky Regional Farmers Market; Daviess County BioTech Cluster Initiative, KY; Kentucky Thoroughbred Association; Chesapeake Innovation Center, MD; Center for Blackbelt Development, GA; Rural Enterprise Assistance Program, NE; Mobile Slaughter Facility, OR; Oregon Center for Rural Policy; Southern Ohio Diversification Initiative, OH; and Chesapeake Fields Institute, MD.

The Committee includes statutory language to provide no less than \$5,000,000 in grants to statewide private nonprofit public television systems.

The Committee expects the Department to ensure that the system by which applications for rural business enterprise grants are considered does not discriminate against applications which may benefit multiple States.

Water and Waste Disposal Loans and Grants.—The Committee is aware of and encourages the Department to consider applications for water and waste disposal loans and grants for the following

projects: Iron County Sewer and Waste Water Treatment Facility, UT; City of Oxford, MS; Port Gibson, MS; City of Wasilla, AK; Pueblo of Picuris, NM; Santo Domingo Pueblo, NM; Pueblo of San Felipe, NM; Carnuel MDWWCA, NM; Pueblo of Laguna, NM; Pueblo of Acoma, NM; Pueblo of Pojoaque, NM; Miles Crossing Sanitary Sewer District, OR; Neuse Regional Water and Sewer Authority, NC; Dillon County Bingham Project, SC; Fort Belknap Indian Reservation, MT; Alger County, MI; City of Watervliet, MI; Alachua County, FL; Desoto County, FL; St. John the Baptist Drinking Water, LA; Dallas County, AR; Brushy Island Water Improvement Association, AR; Albany Water Conservation, OR; Miles City Improvement District, MT; Coushatta Tribe of Louisiana, LA; Neshoba County Central Water Association, MS; Adair County, KY; Russell County, KY; and Hardin County, KY.

The Committee includes statutory language to make up to \$30,000,000 in water and waste disposal loans and grants available for village safe water for the development of water systems for rural communities and native villages in Alaska. In addition, the Committee is aware of and encourages the Department to consider applications to the national program from small, regional hub villages in Alaska with a populations less than 5,000 which are not able to compete for village safe water funding; \$25,000,000 for water and waste systems for the Colonias along the United States-Mexico border; and \$24,000,000 for water and waste disposal systems for Federally Recognized Native American Tribes. In addition, the Committee makes up to \$13,000,000 available for the circuit rider program.

The Committee includes statutory language ensuring that Alaska receives 5 percent of the total amount available for the circuit rider program.

The Committee encourages the Department to work with the Union-Lincoln Water Supply Initiative to provide technical assistance relating to alternative sources of water for the Sparta Aquifer that supplies Northern Louisiana and Southern Arkansas.

The Committee provides \$3,000,000 to fund the activities of the Northern Great Plains Regional Authority [NGPRA], as authorized in the Farm Security and Rural Investment Act of 2002. Within 180 days of enactment of this Act, NGPRA shall provide the Committee with a report on its anticipated fiscal needs in future years. The report should also explain the NGPRA's grant awarding criteria. Furthermore, the Committee expects that Northern Great Plains, Inc. will establish the policies and procedures of the Authority as required by law.

Individually Owned Household Water Well Program.—The Committee provides \$2,000,000 for the Individually Owned Household Water Well Program as authorized in section 6012 of Public Law 107-171. The Committee encourages the Department to work with interested parties, including the Foundation for Affordable Drinking Water, to implement this new program.

Water and Waste Technical Assistance Training Grants.—The Committee provides a significant increase in the technical assistance account for water and waste systems and expects the Secretary to provide an increase in grant funding to the National Drinking Water Clearinghouse. The Committee is aware of and en-

courages the Department to consider applications from the Alaska Village Safe Water Program to provide statewide training in water and waste systems operation and maintenance.

Solid Waste Management Grants.—The Committee is aware of the need for landfill improvements for Point Barrow, Alaska, and urges the Department to give priority consideration for an application for a solid waste management grant.

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

RURAL DEVELOPMENT SALARIES AND EXPENSES

[In thousands of dollars]

	Fiscal year—		Committee recommendation
	2003 appropriation	2004 budget request	
Appropriations	144,789	147,520	140,922
Transfer from:			
Rural Housing Insurance Fund Loan Program Account	429,564	482,787	439,453
Rural Electrification and Telecommunications Loans Program Account	37,587	41,562	37,920
Rural Telephone Bank Program Account	3,062	3,462	3,182
Rural Development Loan Fund Program Account	4,163	4,850	4,283
Total, RD salaries and expenses	619,165	680,181	625,760

These funds are used to administer the loan and grant programs of the Rural Utilities Service, the Rural Housing Service, and 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.

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

COMMITTEE RECOMMENDATIONS

The Committee recommends \$625,760,000 for salaries and expenses for the Rural Economic and Community Development Programs. This amount is \$6,595,000 more than the fiscal year 2003 appropriation. This amount does not include \$169,000 for FECA administrative charges, as requested in the budget.

The Committee expects that none of the funds provided for Rural Development, Salaries and Expenses should be used to enter into or renew a contract for any activity that is best suited as an inherent function of Government, without prior approval from the Committees on Appropriations of the House and Senate. Such activities may include, but are not limited to, any function that affects eligibility determination, disbursement, collection or accounting for Government subsidies provided under any of the direct or guaranteed loan programs of the Rural Development mission area or the Farm Service Agency.

The Committee is aware that USDA Rural Development-Alaska staff works with the Denali Commission. The Committee expects

the Department to look favorably on a request for Anchorage office space for Rural Development staff to share with the Denali Commission staff in the Commission's office. If such a request is agreed to, USDA is directed to reimburse the Denali Commission through the existing cooperative interagency agreement.

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

COMMITTEE RECOMMENDATIONS

The Committee recommends total appropriations of \$1,505,651,000 for the Rural Housing Service. This amount is \$61,791,000 less than the fiscal year 2003 appropriation.

The Committee encourages the Department to continue to set-aside funds within rural housing programs to support self-help housing, home ownership partnerships, housing preservation and State rental assistance, and other related activities that facilitate the development of housing in rural areas.

The following table presents loan and grant program levels recommended by the Committee, as compared to the fiscal year 2003 levels and the 2004 budget request:

LOAN AND GRANT LEVELS

[In thousands of dollars]

	Fiscal year—		Committee recommendation
	2003	2004 request	
Rural Housing Insurance Fund Program Account loan levels:			
Single family housing (sec. 502):			
Direct	1,037,866	1,366,462	1,359,417
Unsubsidized guaranteed, purchase	2,621,781	2,500,000	2,500,000
Unsubsidized guaranteed, refinance	223,537	225,172	225,172
Housing repair (sec. 504)	34,772	35,003	35,004
Multifamily housing guarantees (sec. 538)	99,350	100,000	100,000
Rental housing (sec. 515)	115,053	70,830	115,052
Site loans (sec. 524)	5,013	5,046	5,045
Credit sales of acquired property	11,988	11,500	11,500
Self-help housing land development fund	4,979	5,000	1,623

LOAN AND GRANT LEVELS—Continued

[In thousands of dollars]

	Fiscal year—		Committee recommendation
	2003	2004 request	
Total, RHIF	4,154,339	4,319,013	4,347,768
Farm Labor Program:			
Farm labor housing loan level	37,480	42,167	37,480
Farm labor housing grants	17,698	17,000	17,000
Total, Farm Labor Program	55,178	59,167	54,480
Grants and payments:			
Mutual and self-help housing	34,773	34,000	34,000
Rental assistance	721,281	740,000	721,281
Rural housing assistance grants (RHAG)	42,222	41,500	46,222
Total, rural housing grants and payments	798,276	815,500	801,503
Total, RHS loans and grants	5,007,793	5,193,680	5,203,751

RURAL HOUSING INSURANCE FUND PROGRAM ACCOUNT

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, 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. 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.

An increased priority should be placed on long term rehabilitation needs within the existing multi-family housing portfolio including increased equity loan activity and financial and technical assistance support for acquisition of existing projects.

LOAN SUBSIDY AND ADMINISTRATIVE EXPENSES LEVELS

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 2003, as well as for administrative expenses. The following table presents the loan subsidy levels as compared to the 2003 levels and the 2004 budget request:

[In thousands of dollars]

	Fiscal year—		Committee recommendation
	2003 level	2004 request	
Loan subsidies:			
Single family (sec. 502):			
Direct	201,035	126,671	126,018
Unsubsidized guaranteed, purchase	31,986	39,250	39,250
Unsubsidized guaranteed, refinance	402	653	653
Housing repair (sec. 504)	10,786	9,612	9,612
Multifamily housing guarantees (sec. 538)	4,471	5,950	5,950
Rental housing (sec. 515)	53,649	30,464	49,484
Site loans (sec. 524) ¹	55	.....	.....
Credit sales of acquired property	928	663	663
Self-help housing land development fund	220	154	50
Total, loan subsidies	303,532	212,764	231,680
Administrative expenses	429,564	482,787	439,453

¹ Negative subsidy rate for fiscal year 2004 is calculated for this program.

RENTAL ASSISTANCE PROGRAM

Appropriations, 2003	\$721,281,000
Budget estimate, 2004	740,000,000
Committee recommendation	721,281,000

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

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

The program is administered in tandem with Rural Housing Service section 515 rural rental and cooperative housing programs and the farm labor loan and grant programs. Priority is given to existing projects for units occupied by rent over burdened low-income families and projects experiencing financial difficulties beyond the control of the owner; any remaining authority will be used for projects receiving new construction commitments under sections 514, 515, or 516 for very low-income families with certain limitations.

COMMITTEE RECOMMENDATIONS

For rural rental assistance payments, the Committee recommends an appropriation of \$721,281,000. This amount is the same as the fiscal year 2003 appropriation.

The section 521 rental assistance program is the largest single line item request in the Department's fiscal year 2004 budget request for the Rural Development mission area. The Committee is concerned that as of March 31, 2002, over 19,000 units of rental assistance were unused. Given the tremendous need for this assistance, including the large number of rent overburdened tenants, the

Committee requests that the Secretary make the necessary changes to effectively minimize this unused portion of rental assistance.

MUTUAL AND SELF-HELP HOUSING GRANTS

Appropriations, 2003	\$34,772,000
Budget estimate, 2004	34,000,000
Committee recommendation	34,000,000

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

COMMITTEE RECOMMENDATIONS

The Committee recommends \$34,000,000 for mutual and self-help housing grants. This amount is \$772,000 less than the fiscal year 2003 appropriation.

RURAL HOUSING ASSISTANCE GRANTS

Appropriations, 2003	\$42,222,000
Budget estimate, 2004	41,500,000
Committee recommendation	46,222,000

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

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

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

No assistance can be extended to any one individual in the form of a loan, grant, or combined loans and grants in excess of \$27,500, and grant assistance is limited to persons, or families headed by persons who are 62 years of age or older.

Supervisory and Technical Assistance Grants.—Supervisory and technical assistance grants are made to public and private non-profit organizations for packaging loan applications for housing assistance under sections 502, 504, 514/516, 515, and 533 of the Housing Act of 1949. The assistance is directed to very low-income

families in underserved areas where at least 20 percent of the population is below the poverty level and at least 10 percent or more of the population resides in substandard housing. In fiscal year 1994 a Homebuyer Education Program was implemented under this authority. This program provides low-income individuals and families education and counseling on obtaining and/or maintaining occupancy of adequate housing and supervised credit assistance to become successful homeowners.

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

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

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

COMMITTEE RECOMMENDATIONS

For the Rural Housing Assistance Grants Program the Committee recommends \$46,222,000. This amount is \$4,000,000 more than the fiscal year 2003 appropriation.

The Committee provides \$5,000,000 to administer a demonstration housing program for agriculture processing workers in the States of Alaska, Mississippi, and Wisconsin.

The Committee encourages the Secretary to administer the Demonstration Housing Grants for Agriculture Processing Workers through non-profit community-based organizations, including cooperatives, and fund grants of up to 75 percent of total development costs for each project awarded. The Department should also require on-site tenant services in the selection criteria. The Committee provided funding for this purpose in fiscal year 2001 and requests the Department to take into consideration difficulties encountered previously and make necessary changes in any notice of availability of funds. The Committee also encourages the Department to issue a notice for availability of funds within 60 days of enactment of this Act.

The Committee is concerned that only a few States benefited from the Supervisory and Technical Assistance Grant Program in fiscal year 2003, and encourages the Secretary to consider an allocation process that ensures that no State or Territory receives more than 5 percent of available funds. Priority should be given to entities that have experience in homeownership education and/or reducing delinquencies and foreclosures.

The following table compares the grant program levels recommended by the Committee to the fiscal year 2003 levels and the budget request:

RURAL HOUSING ASSISTANCE GRANTS

[In thousands of dollars]

	Fiscal year—		Committee recommendation
	2003 level	2004 request	
Very low-income housing repair grants	31,295	31,500	31,295
Supervisory and technical assistance	992	.....	992
Rural housing preservation grants	9,935	10,000	8,935
Demonstration housing grants for agricultural processing workers ..	.....	.....	5,000
Total	42,222	41,500	46,222

FARM LABOR PROGRAM ACCOUNT

[In thousands of dollars]

	Loan level	Subsidy level	Grants
Appropriations, 2003	37,480	18,373	17,698
Budget estimate, 2004	42,167	18,018	17,000
Committee recommendation	37,480	16,015	17,000

The direct farm labor housing loan program is authorized under section 514 and the rural housing for domestic farm labor housing grant program is authorized under section 516 of the Housing Act of 1949, as amended. The loans, grants, and contracts are made to public and private nonprofit organizations for low-rent housing and related facilities for domestic farm labor. Grant assistance may not exceed 90 percent of the cost of a project. Loans and grants may be used for construction of new structures, site acquisition and development, rehabilitation of existing structures, and purchase of furnishings and equipment for dwellings, dining halls, community rooms, and infirmaries.

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

COMMITTEE RECOMMENDATIONS

For the cost of direct farm labor housing loans and grants, the Committee recommends \$33,015,000. This amount is \$3,056,000 less than the fiscal year 2003 appropriation.

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

[In thousands of dollars]

	Fiscal year—		Committee recommendation
	2003 level	2004 request	
Estimated loan level	39,740	40,000	40,000
Direct loan subsidy	19,179	17,308	17,308
Administrative expenses	4,163	4,850	4,283

The rural development (intermediary relending) loan program was originally authorized by the Economic Opportunity Act of 1964 (Public Law 88-452). The making of rural development loans by the Department of Agriculture was reauthorized by Public Law 99-425, the Human Services Reauthorization Act of 1986.

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

The Federal Credit Reform Act of 1990 established the program account. Appropriations to this account will be used to cover the lifetime subsidy costs associated with the direct loans obligated in 2004, as well as for administrative expenses.

COMMITTEE RECOMMENDATIONS

For rural development (intermediary relending) loans, the Committee recommends a total loan level of \$40,000,000. This amount is \$260,000 more than the 2003 loan level.

The Committee encourages the agency to consider the following for intermediary relending loans: LED Microenterprise, LA; Forest County Technology, PA; and the Clarion County Economic Development, PA; and Women in Technology in Hawaii and Wisconsin.

RURAL ECONOMIC DEVELOPMENT LOANS PROGRAM ACCOUNT

[In thousands of dollars]

	Fiscal year—		Committee recommendation
	2003 level	2004 request	
Estimated loan level	14,869	15,002	15,002
Direct loan subsidy ¹	3,176	2,792	2,792

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.

The rural economic development loans program was established by the Reconciliation Act of December 1987 (Public Law 100-203),

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

COMMITTEE RECOMMENDATION

The Committee recommends a direct loan subsidy appropriation for rural economic development loans of \$2,792,000. This amount is \$384,000 less than the fiscal year 2003 appropriation. As proposed in the budget, the \$3,000,000 provided is derived by transfer from interest on the cushion of credit payments.

RURAL COOPERATIVE DEVELOPMENT GRANTS

Appropriations, 2003	\$8,941,000
Budget estimate, 2004	11,000,000
Committee recommendation	8,967,000

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, except 1994 institutions, which only need to provide 5 percent. Grants are competitive and are awarded based on specific selection criteria.

Cooperative research agreements are authorized by 7 U.S.C. 2204b. The funds are used for cooperative research agreements, primarily with colleges and universities, on critical operational, organizational, and structural issues facing cooperatives.

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

The Appropriate Technology Transfer for Rural Areas [ATTRA] program was first authorized by the Food Security Act of 1985. The program provides information and technical assistance to agricultural producers to adopt sustainable agricultural practices that are environmentally friendly and lower production costs.

COMMITTEE RECOMMENDATIONS

The Committee recommends \$8,967,000 for rural cooperative development grants. This amount is \$26,000 more than the fiscal year 2003 appropriation.

Of the funds provided, \$2,500,000 is provided for the Appropriate Technology Transfer for Rural Areas program through a cooperative agreement with the National Center for Appropriate Technology.

The Committee has included language in the bill that not more than \$1,500,000 shall be made available to cooperatives or associations of cooperatives whose primary focus is to provide assistance to small, minority producers.

The Committee is aware of and encourages the Department to consider a grant application from the Rural Information Technology Cooperative, IA.

RURAL EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES GRANTS

Appropriations, 2003	\$14,870,000
Budget estimate, 2004	
Committee recommendation	14,370,000

COMMITTEE RECOMMENDATIONS

The Committee recommends \$14,370,000 for Rural Empowerment Zones and Enterprise Communities Grants. This amount is \$500,000 less than the fiscal year 2003 appropriation. Of the funds provided, \$1,000,000 shall be made available to third round enterprise communities.

RENEWABLE ENERGY PROGRAM

Appropriations, 2003	
Budget estimate, 2004	\$3,000,000
Committee recommendation	23,000,000

Renewable Energy Systems and Energy Efficiency Improvements is authorized under 7 U.S.C. 8106. This program may provide direct loans, loan guarantees, and grants to farmers, ranchers, and small rural businesses for the purchase of renewable energy systems and for energy efficiency improvements.

COMMITTEE RECOMMENDATIONS

The Committee recommends \$23,000,000 for the renewable energy program. In fiscal year 2003, \$23,000,000 from the Commodity Credit Corporation was provided to fund this program.

The Committee encourages the Department to give consideration to applications for loans and grants for the renewable energy program for the following: Montana Bio-Refinery Project, MT; Biodiesel Feedstock Feasibility Study, MT; Agri-Waste to Ethanol Program, MN; Ethanol Feedlot Project in Mead, NE; and Ecofuels Project in Wisconsin and Iowa.

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

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

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 2004, as well as for administrative expenses.

COMMITTEE RECOMMENDATIONS

The following table reflects the Committee's recommendation for the rural electrification and telecommunications loans program account, the loan subsidy and administrative expenses, as compared to the fiscal year 2003 and budget request levels:

[In thousands of dollars]

	Fiscal year—		Committee recommendation
	2003 level	2004 request	
Loan authorizations:			
Electric:			
Direct, 5 percent	120,316	240,000	240,000
Direct, Muni	99,350	100,000	1,000,000
Direct, FFB	2,500,000	1,500,000	2,000,000
Direct, Treasury rate	1,150,000	700,000	750,000
Guaranteed	99,350	100,000	100,000
Guaranteed, Underwriting	1,000,000	.....	1,000,000
Subtotal	4,969,096	2,640,000	5,090,000
Telecommunications:			
Direct, 5 percent	74,542	145,042	145,000
Direct, Treasury rate	298,050	250,000	250,000
Direct, FFB	120,000	100,000	120,000
Subtotal	492,592	495,000	515,000
Total, loan authorizations	5,461,608	3,135,042	5,605,000
Loan Subsidies:			
Electric:			
Direct, 5 percent ¹	6,870	.....	.....
Direct, Muni ¹	4,004	.....	.....
Direct, FFB ² .....	.....	.....	.....

[In thousands of dollars]

	Fiscal year—		Committee recommendation
	2003 level	2004 request	
Direct, Treasury rate ²			
Guaranteed	79	60	60
Guaranteed, Underwriting ²			
Subtotal	10,953	60	60
Telecommunications:			
Direct, 5 percent ¹	1,275		
Direct, Treasury rate	149	125	125
Direct, FFB ²			
Subtotal	1,424	125	125
Total, loan subsidies	12,377	185	185
Administrative expenses	37,587	41,562	37,920
Total, Rural Electrification and Telecommunications Loans Programs Account	49,964	41,747	38,105
(Loan authorization)	5,461,608	3,135,042	5,605,000

¹ Negative subsidy rate for fiscal year 2004 is calculated for this program.² Negative subsidy rates for fiscal years 2003 and 2004 are calculated for these programs.

RURAL TELEPHONE BANK PROGRAM ACCOUNT

[In thousands of dollars]

	Loan level	Direct loan subsidy	Administrative expenses
Appropriations, 2003	173,503	2,394	3,062
Budget estimate, 2004 ¹			3,462
Committee recommendation ¹	173,503		3,182

¹ Negative subsidy rate for fiscal year 2004 is calculated for this program.

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

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

The Federal Credit Reform Act of 1990 established the program account. Appropriations to this account will be used to cover the lifetime subsidy costs associated with the direct loans obligated in 2004, as well as for administrative expenses.

COMMITTEE RECOMMENDATIONS

The Committee recommends a loan level of \$173,503,000. This amount is the same as the fiscal year 2003 level.

DISTANCE LEARNING, TELEMEDICINE, AND BROADBAND PROGRAM
LOANS AND GRANT LEVELS

[In thousands of dollars]

	Fiscal year—		Committee recommendation
	2003 level	2004 request	
Loan and Grant Levels:			
Distance Learning and Telemedicine Program:			
Direct loans	300,000	50,000	300,000
Grants	46,636	25,000	40,000
Broadband Program:			
Direct loans		40,000	40,000
Treasury rate loans		255,963	255,963
Guaranteed loans		40,000	40,000
Grants	9,935	2,000	10,000
Total, DLTB grants and loan authorizations	356,571	412,963	685,963

DISTANCE LEARNING, TELEMEDICINE, AND BROADBAND PROGRAM
LOANS AND GRANTS

[Budget authority in thousands of dollars]

	Fiscal year—		Committee recommendation
	2003 level	2004 request	
Distance Learning and Telemedicine Program:			
Direct loan subsidies ¹			
Grants	46,636	25,000	40,000
Broadband Program:			
Direct loan subsidies		1,976	1,976
Treasury subsidies		5,580	5,580
Guaranteed subsidies		1,560	1,560
Grants	9,935	2,000	10,000
Total, grants and loan subsidies	56,571	36,116	59,116

¹ Negative subsidy rates for fiscal years 2003 and 2004 are calculated for this program.

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

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

COMMITTEE RECOMMENDATIONS

For the Distance Learning, Telemedicine, and Broadband Program, the Committee recommends \$59,116,000. This amount is \$2,545,000 more than the fiscal year 2003 appropriation. Of this amount, the Committee has provided \$15,000,000 for public broadcasting systems grants to allow noncommercial educational tele-

vision broadcast stations that serve rural areas to convert from analog to digital operations.

In addition, of the funds provided, \$10,000,000 in grants shall be made available to support broadband transmission and local dial-up Internet services for rural areas. The Department should continue to provide financial support in addition to the Distance Learning, Telemedicine, and Broadband grant and loan accounts.

The Committee is aware of and encourages the Department to give consideration to the following applications for grants and loans: Alaska Federal Health Care Access Network; Caswell Foundation, NC; Rural Information Technology Cooperative, IA; Louisiana Online; Pioneer Public T.V., MN; Maui Community College Skybridge Interactive Network, HI; Jamerson Rural Nevada Small Business Project; Nurses for Tomorrow, WA; SWIFT Cyber Group, WA; REAPNET Program in Bowling Green, KY; Montana Agriculture Knowledge Network; Kentucky Partnership for Farm Family Health and Safety in Bowling Green, KY; and National Rural Telework Institute of Appalachia, OH.

TITLE IV—DOMESTIC FOOD PROGRAMS

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

Appropriations, 2003	\$595,000
Budget estimate, 2004	786,000
Committee recommendation	611,000

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

COMMITTEE RECOMMENDATIONS

For the Office of the Under Secretary for Food, Nutrition and Consumer Services, the Committee recommends an appropriation of \$611,000. This amount is \$16,000 more than the fiscal year 2003 appropriation.

The Committee is aware of the innovative work in Iowa and Wisconsin to make milk available through school vending machines. Due to their success in improving child health and nutrition, the Committee supports expanding these pilot programs with available funding.

The Committee has provided increases throughout FNS to promote healthy eating and to combat obesity. According to USDA statistics, since 1980, the percentage of children who are overweight has nearly doubled, and the percentage of adolescents who are overweight has nearly tripled. Almost 9 million young Americans, or about 15 percent of all children, are overweight. This number continues to increase, putting these children and adults at a higher risk for health problems including diabetes, coronary heart disease, stroke, and other ailments. The Committee believes it is imperative that USDA maintain and increase obesity prevention and nutrition education activities, and work with other government and private entities to provide the public with appropriate, up-to-date information on healthy eating and exercise habits.

The Committee is aware of the efforts of several non-profit groups throughout the country, such as Farm Share in Florida, whose mission is to recover and distribute surplus fresh and nutritious fruits and vegetables. These organizations recover fresh produce in bulk or by gleaning fields with the help of volunteers. The produce is washed, sorted, packed, and distributed locally, statewide and throughout the United States to a network of participating social service agencies serving the homeless and low-income households. The Committee believes the activities carried out by these organizations are extremely worthwhile, and strongly encourages USDA to support their efforts in any way possible.

The Committee is aware of the efforts of Share Our Strength and its Operation Frontline program to improve the eating habits, food budgeting skills, and overall self-confidence and sufficiency of program participants. The Committee encourages the Under Secretary to work with Operation Frontline, as well as other innovative organizations, to identify funding which may be available to expand their efforts.

The Committee notes the growing problem of childhood obesity and recent reports that many school children receive a substantial percentage of their calories from sweetened drinks, candy, and high fat snacks. Likewise, many non-subsidized school lunches are high in fat content and low in certain nutrients linked to school performance such as Omega 3 fatty acids. The Committee directs the Food and Nutrition Service to work aggressively to develop food products for the school lunch program that are appealing to children, high in nutrition, and will foster lifelong healthy eating patterns. The Committee also notes that learning disabilities and behavioral disorders have been linked to low serum levels of Omega 3 fatty acids. Therefore, particular attention should be paid to developing food choices that are high in Omega 3 fatty acids. FNS should develop incentives to encourage schools to serve healthy food choices and should impose disincentives to schools which continue to offer high fat and sugar content foods to children either through the school lunch program or other sources.

The Senate Committee on Agriculture, Nutrition, and Forestry is scheduled to consider the reauthorization of Child Nutrition Programs and the Special Supplemental Nutrition Program for Women, Infants, and Children [WIC] during the 108th Congress. The following programs are included in the reauthorization: National School Lunch Program, School Breakfast Program, Special Milk Program, Summer Food Service Program, and the Child and Adult Care Food Program.

FOOD AND NUTRITION SERVICE

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

Child Nutrition Programs.—The National School Lunch and School Breakfast, Summer Food Service, and Child and Adult Care Food programs provide funding to the States, Puerto Rico, the Virgin Islands, and Guam for use in serving nutritious lunches and breakfasts to children attending schools of high school grades and under, to children of preschool age in child care centers, and to children in other institutions in order to improve the health and well-being of the Nation's children, and broaden the markets for agricultural food commodities. Through the Special Milk Program, assistance is provided to the States for making reimbursement payments to eligible schools and child care institutions which institute or expand milk service in order to increase the consumption of fluid milk by children. Funds for this program are provided by direct appropriation and transfer from section 32.

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

Food Stamp Program.—This program seeks to improve nutritional standards of needy persons and families. Assistance is provided to eligible households to enable them to obtain a better diet by increasing their food purchasing capability, usually by furnishing benefits in the form of electronic access to funds. The program also includes Nutrition Assistance to Puerto Rico. The Farm Security and Rural Investment Act of 2002 (Public Law 107–171) authorizes block grants for Nutrition Assistance to Puerto Rico and American Samoa, which provide broad flexibility in establishing nutrition assistance programs specifically tailored to the needs of their low-income households.

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

The Farm Security and Rural Investment Act of 2002, Public Law 107–171, enacted May 13, 2002, provides that \$140,000,000 from funds appropriated in the Food Stamp account be used to purchase commodities for The Emergency Food Assistance Program.

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

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

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

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. It also provides funding for use in non-Presidentially declared disasters, and for FNS' administrative costs in connection with relief for all disasters. Funds for this program are provided by direct appropriation.

Nutrition Programs Administration.—Most salaries and Federal operating expenses of the Food and Nutrition Service are funded from this account. Also included is the Center for Nutrition Policy and Promotion [CNPP] which oversees improvements in and revi-

sions to the food and guidance systems, and serves as the focal point for advancing and coordinating nutrition promotion and education policy to improve the health of all Americans.

CHILD NUTRITION PROGRAMS

[In thousands of dollars]

	Appropriation	Section 32 transfers	Total
Appropriations, 2003	5,834,480	4,745,663	10,580,143
Budget estimate, 2004	6,718,780	4,699,661	11,418,441
Committee recommendation	6,718,780	4,699,661	11,418,441

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

The 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 2004 and relaxes the site limitations for private non-profit sponsors in SFSP.

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

A description of Child Nutrition Programs follows:

1. *Cash Payments to States.*—The programs are operated under an agreement entered into by the State agencies and the Department. Funds are made available under letters of credit to State agencies for use in reimbursing participating schools and other institutions. Sponsors apply to the State agencies, and if approved,

are reimbursed on a per-meal basis in accordance with the terms of their agreements and rates prescribed by law. The reimbursement rates are adjusted annually to reflect changes in the Consumer Price Index for food away from home.

(a) *School Lunch Program*.—Assistance is provided to the States for the service of lunches to all school children, regardless of family income. States must match some of the Federal cash grant. In fiscal year 2004, the School Lunch Program will provide assistance for serving an estimated 4.9 billion school lunches including 2.0 billion for children from upper-income families and 2.9 billion for children from lower and low-income families. An estimated 29.1 million children are expected to participate in the program daily during the school year.

(b) *Special Assistance for Free and Reduced-Price Lunches*.—Additional assistance is provided to the States for serving lunches free or at a reduced price to needy children. In fiscal year 2004, under current law, the program will provide assistance for about 2.9 billion lunches, of which 2.4 billion will be served free of charge and 0.5 billion at reduced price. Over 17 million needy children will participate in the program on an average schoolday during the year.

(c) *School Breakfast Program*.—Federal reimbursement to the States is based on the number of breakfasts served free, at a reduced price, or at the general rate for those served to nonneedy children. Certain schools are designated in severe need because, in the second preceding year, they served at least 40 percent of their lunches at free or reduced prices and because the regular breakfast reimbursement is insufficient to cover cost. These schools receive higher rates of reimbursement in both the free and reduced-price categories. In fiscal year 2004, the program will serve an estimated 1.5 billion breakfasts to a daily average of 9.1 million children.

(d) *State Administrative Expenses*.—The funds may be used for State employee salaries, benefits, support services, and office equipment. Public Law 95–627 made the State administrative expenses grant equal to 1.5 percent of certain Federal payments in the second previous year. In fiscal year 2004, \$140,240,000 will be allocated among the States to fund ongoing State administrative expenses and to improve the management of various nutrition programs.

(e) *Summer Food Service Program*.—Meals served free to children in low-income neighborhoods during the summer months are supported on a performance basis by Federal cash subsidies to State agencies. Funds are also provided for related State and local administrative expenses. During the summer of 2004, approximately 138.5 million meals will be served.

(f) *Child and Adult Care Food Program*.—Preschool children receive year-round food assistance in nonprofit child care centers and family and group day care homes under this program. Public Law 97–35 permits profitmaking child care centers receiving compensation under title XX of the Social Security Act to participate in the program if 25 percent of the children served are title XX participants. Certain adult day care centers are also eligible for participation in this program, providing

subsidized meals to nonimpaired individuals age 60 years or older. The Child and Adult Care Food Program reimburses State agencies at varying rates for breakfasts, lunches, suppers, and meal supplements and for program-related State audit expenses. In fiscal year 2004, approximately 1.9 billion meals will be served.

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

3. *Nutrition Studies and Education.*—The National Food Service Management Institute provides instruction for educators and school food service personnel in nutrition and food service management.

4. *Special Milk.*—In fiscal year 2004, approximately 112.4 million half-pints will be served in the Special Milk Program. These include about 106.4 million half-pints served to children whose family income is above 130 percent of poverty. During fiscal year 2004, the average full cost reimbursement for milk served to needy children is expected to be 17.7 cents for each half-pint. Milk served to nonneedy children is expected to be reimbursed at 13.8 cents for each half-pint.

COMMITTEE RECOMMENDATIONS

For the child nutrition programs, the Committee recommends an appropriation of \$6,718,780,000, plus transfers from section 32 of \$4,699,661,000, for a total program of \$11,418,441,000. This amount is \$838,298,000 more than the fiscal year 2003 appropriation.

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

TOTAL OBLIGATIONAL AUTHORITY

[In thousands of dollars]

Child nutrition programs	2003 estimate	2004 budget	Committee recommendation
School Lunch Program	6,074,648	6,683,704	6,683,704
School Breakfast Program	1,660,870	1,797,923	1,797,923
State administrative expenses	133,583	140,240	140,240
Summer Food Service Program	334,686	308,653	308,653
Child and Adult Care Food Program	1,904,494	2,019,045	2,019,045
Special Milk Program	16,449	15,270	15,270
Commodity procurement, processing, and computer support	435,334	431,309	431,309
Coordinated review system	5,080	5,235	5,235
Team nutrition	10,025	10,025	10,025
Food safety education	1,000	1,000	1,000
School Breakfast Grant Startup Program	3,278	.....	.....
Common Roots Program	199	.....	.....
Child Nutrition Archive Resource Center	497	.....	.....
Child nutrition program pay costs .....	.....	37	37
Child nutrition program integrity funds .....	.....	6,000	6,000

The Committee provides \$10,025,000 for TEAM nutrition. 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 National Food Service Management Institute cooperative agreements; \$400,000 for print and electronic food service resource systems; and \$3,225,000 for other activities.

The Committee expects FNS to utilize the National Food Service Management Institute to carry out the food safety education program.

The Committee also encourages States to conduct outreach to recruit new providers into the CACFP program through the 25 percent free or reduced price meal eligibility criteria option. The Committee recognizes the value that pooling has played in increasing participation in the CACFP program.

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

Appropriations, 2003	\$4,696,000,000
Budget estimate, 2004	4,769,232,000
Committee recommendation	4,639,232,000

The special supplemental nutrition program for women, infants, and children [WIC] is authorized by section 17 of the Child Nutrition Act of 1966. Its purpose is to safeguard the health of pregnant, breast-feeding and post partum women and infants, and children up to age 5 who are at nutritional risk because of inadequate nutrition and inadequate income. The budget estimate assumes an average monthly participation of 7.8 million participants at an average food cost of \$36.39 per person per month in fiscal year 2004.

The WIC program food packages are designed to provide foods which studies have demonstrated are lacking in the diets of the WIC program target population. The authorized supplemental foods are iron-fortified breakfast cereal, fruit or vegetable juice which contains vitamin C, dry beans, peas, and peanut butter.

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

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

COMMITTEE RECOMMENDATIONS

For the Special Supplemental Food Program for Women, Infants, and Children [WIC], the Committee recommends an appropriation

of \$4,639,232,000. This amount is \$56,768,000 less than the fiscal year 2003 appropriation.

Although less than the President's request, this funding level is adequate to support the approximately 7.78 million women, infants, and children estimated in the President's budget. Updated estimates since the budget was submitted in February have revealed lower than projected participation rates in fiscal year 2003 and food costs that have decreased by approximately \$0.50 per person per month. However, there have also been increases due to recent infant formula contracts with decreased rebates. All of these factors were taken into consideration when calculating the appropriation for the WIC program.

The Committee provides \$5,000,000 for a childhood obesity pilot project, \$10,000,000 for breastfeeding support initiatives, and \$30,000,000 for a management information system initiative. This funding also maintains a WIC funding reserve of \$125,000,000, the same level as fiscal year 2003, to become available if the Secretary deems necessary.

The Committee is aware that the WIC Farmers' Market Program provides fresh fruits and vegetables to low income mothers and children, benefiting not only WIC participants, but local farmers as well. Therefore, the Committee provides \$25,000,000 for the WIC Farmers' Market Nutrition Program, and directs the Secretary to obligate these funds within 45 days.

The Committee also provides \$14,000,000 for infrastructure funding, as well as funding requested by the President for a study on the effectiveness of the WIC program.

While the Committee continues to support and encourage State and local agency efforts to utilize WIC as an important means of participation referral to other health care services, it also continues to recognize the constraints that WIC programs are experiencing as a result of expanding health care priorities and continuing demand for core WIC program activities. The Committee wishes to clarify that while WIC plays an important role in screening and referral to other health care services, it was never the Committee's intention that WIC should perform aggressive screening, referral and assessment functions in such a manner that supplants the responsibilities of other programs, nor was it the Committee's intention that WIC State and local agencies should assume the burden of entering into and negotiating appropriate cost sharing agreements. The Committee again includes language in the bill to preserve WIC funding for WIC services authorized by law to ensure that WIC funds are not used to pay the expenses or to coordinate operations or activities other than those allowable pursuant to section 17 of the Child Nutrition Act of 1996, unless fully reimbursed by the appropriate Federal agency.

To ensure equitable and fair access for all WIC agencies to the WIC State Management Information Systems, Breastfeeding Peer Counseling, and Childhood Obesity Prevention Project funds, the Committee directs USDA to partner with WIC public health nutritionists and agency directors to consider the methodologies for the distribution of those funds.

The Committee is concerned that the Department has published interim infant formula cost containment regulations with no public

comment. The Committee strongly encourages USDA to work with WIC State agency directors and other interested parties to review the interim regulations and propose regulatory changes to ensure maximum participant benefits.

FOOD STAMP PROGRAM

[In thousands of dollars]

	Expenses	Amount in re- serve	Puerto Rico	TEFAP com- modity pur- chases	Total
Appropriations, 2003	22,772,692	2,000,000	1,401,000	140,000	26,313,692
Budget estimate, 2004	24,203,176	2,000,000	1,402,805	140,000	27,745,981
Committee recommendation	24,203,176	2,000,000	1,402,805	140,000	27,745,981

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 stamp benefits with which they can purchase food through regular retail stores. They are thus enabled to obtain a more nutritious diet than would be possible without food stamp assistance. The Farm Security and Rural Investment Act of 2002, Public Law 107-171, enacted May 13, 2002, reauthorizes the Food Stamp Program through fiscal year 2007.

The Food Stamp Program is currently in operation in all 50 States, the District of Columbia, the Virgin Islands, and Guam. Participating households receive food benefits, the value of which is determined by household size and income. The cost of the benefits is paid by the Federal Government. As required by law, the Food and Nutrition Service annually revises household stamp allotments to reflect changes in the cost of the thrifty food plan.

At the authorized retail store, the recipient presents his/her card and enters a unique personal identification number into a terminal that debits the household's account for the amount of purchases. Federal funds are shifted from the Federal Reserve to the EBT processor's financial institution so that it may reimburse the grocer's account for the amount of purchases. The grocer's account at a designated bank is credited for the amount of purchases. The associated benefit cost is accounted for in the same manner as those benefit costs that result from issuance of coupons.

As of May 2003, 46 Electronic Benefits Transfer [EBT] projects were operating statewide in: Alabama, Alaska, Arizona, Arkansas, Colorado, Connecticut, District of Columbia, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, Wisconsin, and Wyoming. EBT is also operating in parts of California, Delaware, Guam, Iowa, Maine, the Virgin Islands, and West Virginia.

Nutrition Assistance to Puerto Rico.—The Farm Security and Rural Investment Act of 2002, Public Law 107-171, authorized block grants for Nutrition Assistance to Puerto Rico and American

Samoa which gives the Commonwealth broad flexibility to establish a nutrition assistance program that is specifically tailored to the needs of its low-income households. However, the Commonwealth must submit its annual plan of operation to the Secretary for approval. The Farm Security and Rural Investment Act of 2002, Public Law 107-171, enacted May 13, 2002, reauthorizes appropriations through fiscal year 2007. In addition to the provision of direct benefits to the needy, a portion of the grant may be used to fund up to 50 percent of the cost of administering the program. The grant may also be used to fund projects to improve agriculture and food distribution in Puerto Rico.

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

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. The Farm Security and Rural Investment Act of 2002, (Public Law 107-171), substantially revised the performance requirements for States under the Quality Control [QC] System. States with poor performance over 2 years face sanctions. States that demonstrate a high degree of accuracy or substantial improvement in their degree of accuracy under the QC system are eligible to share in a \$48,000,000 “bonus fund” established by Congress to reward States for good performance.

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

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

COMMITTEE RECOMMENDATIONS

For the Food Stamp Program, the Committee recommends \$27,745,981,000. This amount is \$1,432,289,000 more than the fiscal year 2003 appropriation. Of the amount provided, \$2,000,000,000 is made available as a contingency reserve. This is the same as the 2003 contingency reserve level and the budget request.

Included in this amount is up to \$4,000,000 to purchase bison for the Food Distribution Program on Indian Reservations from Native American producers and Cooperative Organizations without competition.

The Committee is aware that there continues to be a pressing need for infrastructure development in the Food Distribution Program on Indian Reservations [FDPIR]. Warehousing facilities on

some reservations do not allow for the proper and efficient storage and distribution of commodities, and Indian Tribal Organization must be able to replace and upgrade equipment such as tractor trailers and fork lifts. Facilities have not always been able to keep pace with improvements in the food package, including the addition of fresh produce and more frozen foods as program options, which generates the need for cooler and freezer equipment.

Pursuant to 7 U.S.C. 2028, the Commonwealth of Puerto Rico must submit for the Secretary's approval a yearly plan that contains information regarding how food and assistance benefits under the Nutrition Assistance Program [NAP] for Puerto Rico are provided during the following fiscal year. While the Committee notes the program flexibility normally afforded to Puerto Rico, the Committee encourages the Secretary not to approve any NAP plan that does not require at least 75 percent of NAP funds to be spent on food at certain stores with point-of-sales devices.

COMMODITY ASSISTANCE PROGRAM

Appropriations, 2003	\$163,431,000
Budget estimate, 2004 ¹	166,072,000
Committee recommendation	145,740,000

¹ Includes \$1,074,000 previously funded through the Food Donations Program.

The Commodity Assistance Program includes funding for the Commodity Supplemental Food Program and funding to pay expenses associated with the storage and distribution of commodities through The Emergency Food Assistance Program.

The Commodity Supplemental Food Program [CSFP].—Authorized by section 4(a) of the Agricultural and Consumer Protection Act of 1973, as amended in 1981 by Public Law 97–98, this program provides supplemental food to infants and children up to age 6, and to pregnant, post partum, and breast-feeding women who have low incomes, and reside in approved project areas. In addition, the program operates commodity distribution projects directed at low-income elderly persons 60 years of age or older.

In fiscal year 2004 approximately 68,000 women, infants, and young children and 342,000 elderly are authorized to receive food packages each month. The foods are provided by the Department of Agriculture for distribution through State agencies. The authorized commodities are iron-fortified infant formula, rice cereal, canned juice, evaporated milk and/or nonfat dry milk, canned vegetables or fruits, canned meat or poultry, egg mix, dehydrated potatoes, farina, and peanut butter or dry beans. Elderly participants may receive all commodities except iron-fortified infant formula and rice cereal.

The Farm Security and Rural Investment Act of 2002 (2002 Farm Bill), reauthorizes the program through fiscal year 2007 and establishes a specific administrative funding level for each caseload slot assigned, adjusted each year for inflation.

The Emergency Food Assistance Program [TEFAP].—Authorized by the Emergency Food Assistance Act of 1983, as amended, the program provides nutrition assistance to low-income people through prepared meals served on site and through the distribution of commodities to low-income households for home consumption. The commodities are provided by USDA to State agencies for dis-

tribution through State-established networks. State agencies make the commodities available to local organizations, such as soup kitchens, food pantries, food banks, and community action agencies, for their use in providing nutrition assistance to those in need.

Funds are administered by FNS through grants to State agencies which operate commodity distribution programs. Allocation of the funds to States is based on a formula which considers the States' unemployment rate and the number of persons with income below the poverty level.

In fiscal year 2002, \$307,100,000 worth of commodities were distributed to assist needy individuals. Donations will continue in fiscal year 2003. Precise levels depend upon the availability of surplus commodities and requirements regarding displacement. In fiscal year 2003, \$60,000,000 will be used to help State and local authorities with the storage and distribution costs of providing surplus commodities to needy individuals. Although the \$60,000,000 was allocated to each State in the form of administrative funds, each State is authorized to redirect funding for the purchase of additional commodities.

The Farm Security and Rural Investment Act of 2002 reauthorizes funding to support the storage and distribution of commodities through fiscal year 2007, and increases the amount authorized to be appropriated from \$50,000,000 to \$60,000,000. The law permits State and local agencies to use these funds to pay costs associated with the storage and distribution of USDA commodities and commodities secured from other sources. At the request of the State, these funds can be used by USDA to purchase additional commodities. The Farm Security and Rural Investment Act of 2002 also reauthorizes funding for the purchase of TEFAP commodities and increases the amount of funds available from \$100,000,000 to \$140,000,000. In addition to the commodities purchased specifically for TEFAP, commodities obtained under agriculture support programs are donated to States for distribution through TEFAP.

Pacific Island Assistance.—This program provides funding for assistance to the nuclear-affected islands in the form of commodities and administrative funds. It also provides funding for use in non-Presidentially declared disasters and for FNS' administrative costs in connection with relief for all disasters.

COMMITTEE RECOMMENDATIONS

For the Commodity Assistance Program, the Committee recommends an appropriation of \$145,740,000. This amount is \$17,691,000 less than the fiscal year 2003 appropriation.

The Committee does not agree with the President's proposal to fund the WIC Farmers' Market Nutrition Program under the Commodity Assistant Program account. The Committee provides \$25,000,000 in funding for this purpose under the Special Supplemental Program for Women, Infants, and Children [WIC] account.

The Committee continues to encourage the Department to distribute Commodity Assistance Program funds equitably among the States, based on an assessment of the needs and priorities of each State and the State's preference to receive commodity allocations through each of the programs funded under this account.

The Committee is aware that since 1997, commodities provided through TEFAP have increased by approximately 400 percent, with most of the increase coming through surplus or bonus commodities purchased by USDA. The Committee is further aware that during difficult economic times, the number of Americans in need of assistance through State and local food banks increases. The Farm Security and Rural Investment Act of 2002 provides \$140,000,000 for TEFAP commodities to be purchased with food stamp funds. The Committee provides \$50,000,000 for TEFAP administrative funding. In addition, the Committee provides the Secretary authority to transfer up to an additional \$10,000,000 from TEFAP commodities for this purpose.

The Committee is aware that a significant quantity of food products are made available by hunters and other game harvesting operations which are approved through USDA or State inspected facilities, and present an additional source of donated commodities. The Department should give consideration to this opportunity as a means to supplement and provide variety to food assistance programs, and allow the use of TEFAP administrative funds for this purpose.

The Committee provides \$94,991,000 for the Commodity Supplemental Food Program. This amount is \$18,765,000 less than the fiscal year 2003 appropriation. Of this amount, no less than \$22,841,000 shall be available for administrative funding.

The Committee recognizes the success of the Seniors Farmers' Market Nutrition Program, which is expected to provide fresh fruits and vegetables to more than 419,000 low-income senior citizens and benefit more than 8,500 farmers in fiscal year 2003. The Committee notes that \$15,000,000 in funding is available for the program in fiscal year 2004 through the Farm Security and Rural Investment Act of 2002.

FOOD DONATIONS PROGRAMS

Appropriations, 2003	\$1,074,000
Budget estimate, 2004 ¹	
Committee recommendation	

¹The fiscal year 2004 budget recommends transferring funds from this account to the Commodity Assistance Program.

COMMITTEE RECOMMENDATIONS

Funding for Pacific Island Assistance is provided under the Commodity Assistance Program account, as requested in the President's budget.

NUTRITION PROGRAMS ADMINISTRATION

Appropriations, 2003	\$135,672,000
Budget estimate, 2004	144,849,000
Committee recommendation	138,304,000

The Nutrition Programs Administration appropriation provides for most of the Federal operating expenses of the Food and Nutrition Service, which includes the Child Nutrition Programs; Special Milk Program; Special Supplemental Nutrition Program for Women, Infants, and Children [WIC], including the Farmers' Market Nutrition Program; Food Stamp Program; Nutrition Assistance

for Puerto Rico; the Commodity Assistance Program, including the Commodity Supplemental Food Program, and the Emergency Food Assistance Program; and the Food Donations Programs, including Pacific Island Assistance.

The major objective of Nutrition Programs 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 the progress being made toward achieving program objectives; and (4) carrying out regular staff support functions.

COMMITTEE RECOMMENDATIONS

For Nutrition Programs Administration, the Committee recommends an appropriation of \$138,304,000. This amount is \$2,632,000 more than the fiscal year 2003 appropriation. This amount does not include \$32,000 for FECA administrative charges, as requested in the budget.

The Committee is aware of concerns regarding which USDA Agency is best suited to oversee and carry out research related to food assistance programs within the Department. The Economic Research Service has particular capacities related to economics analysis and modeling. The food and Nutrition Service has long-standing expertise in programmatic operations of food assistance programs. Given their respective capacities and areas of expertise, research dollars at the Department of Agriculture are provided to both ERS and FNS. The Committee provides \$3,195,000, the same as the fiscal year 2003 level, for studies and evaluations in the Nutrition Programs Administration account.

TITLE V—FOREIGN ASSISTANCE AND RELATED PROGRAMS

FOREIGN AGRICULTURAL SERVICE

SALARIES AND EXPENSES

[In thousands of dollars]

	Appropriations	Transfers from loan accounts	Total
Appropriations, 2003	129,103	4,229	133,332
Budget estimate, 2004	140,798	4,393	145,191
Committee recommendation	131,648	4,365	136,013

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

The Agency maintains a worldwide agricultural intelligence and reporting service to provide U.S. farmers and traders with information on world agricultural production and trade that they can use to adjust to changes in world demand for U.S. agricultural products. This is accomplished through a continuous program of reporting by 63 posts located throughout the world covering some 130 countries.

The Foreign Agricultural Service analyzes agricultural information essential to the assessment of foreign supply and demand conditions in order to provide estimates of the current situation and to forecast the export potential for specific U.S. agricultural commodities. Published economic data about commodities are combined with attaché reports and subjected to analysis through advanced econometric techniques to generate these estimates.

In addition, the Service is now using advanced techniques for identifying, delineating, and assessing the impact of events which may affect the condition and expected production of foreign crops of economic importance to the United States. The crop condition activity relies heavily on computer-aided analysis of satellite, meteorological, agricultural, and related data.

The mission of FAS overseas is to represent U.S. agricultural interests, to promote export of domestic farm products, improve world trade conditions, and report on agricultural production and trade in foreign countries. FAS staff are stationed at 80 offices around the world where they provide expertise in agricultural economics and marketing, as well as provide attaché services.

The Foreign Agricultural Service works in conjunction with market development cooperators, trade associations, State departments of agriculture and their affiliates, and U.S. sales teams to develop foreign markets for U.S. farm products. FAS sponsors overseas trade exhibits to promote U.S. agricultural products, provides infor-

mation about foreign importers, and performs a wide range of market development activities.

FAS carries out several export assistance programs to counter the adverse effects of unfair trade practices by competitors on U.S. agricultural trade. The Export Enhancement Program uses CCC-owned commodities as export bonuses to provide export enhancements to U.S. producers. The Market Access Program [MAP] conducts both generic and brand-identified promotional programs in conjunction with nonprofit agricultural associations and private firms financed through reimbursable CCC payments.

These programs are supplemented by the Cooperator Program, a joint FAS-nonprofit private trade and producer association partnership program developing strategies for U.S. agriculture export expansion. In addition, GSM credit guarantee programs play an integral role in the recent progress of American agriculture in the world marketplace.

The Agricultural Trade Act of 1978 includes authority to establish up to 25 agricultural trade offices. Currently, 17 such offices are in operation at key foreign trading centers to assist U.S. exporters, trade groups, and State export marketing officials in trade promotion.

The Service initiates, directs, and coordinates the Department's formulation of trade policies and programs with the goal of maintaining and expanding world markets for U.S. agricultural products. It monitors international compliance with bilateral and multilateral trade agreements. It identifies restrictive tariff and trade practices which act as barriers to the import of U.S. agricultural commodities, then supports negotiations to remove them. It acts to counter and eliminate unfair trade practices by other countries that hinder U.S. agricultural exports to third markets.

FAS also carries out the mission of the former Office of International Cooperation and Development [OICD] to promote U.S. agriculture and to advance the agriculture of developing countries as parts of a complementary global agricultural system capable of providing ample food and fiber for all people. To accomplish this mission, FAS applies USDA policies and U.S. agricultural perspectives in its programs of international agricultural cooperation and development, and in its work with foreign countries, international organizations, U.S. universities and other institutions, agencies of the U.S. Government, and the U.S. private sector.

The General Sales Manager was established pursuant to section 5(f) of the charter of the Commodity Credit Corporation and 15 U.S.C. 714-714p. The funds allocated to the General Sales Manager are used for conducting the following programs: (1) CCC Export Credit Guarantee Program (GSM-102), including supplier credit guarantees and facilities financing guarantees, (2) Intermediate Credit Guarantee Program (GSM-103), (3) Public Law 480, (4) section 416 Overseas Donations Program, (5) Export Enhancement Program, (6) Market Access Program, and (7) programs authorized by the Commodity Credit Corporation Charter Act including barter, export sales of most CCC-owned commodities, export payments, and other programs as assigned to encourage and enhance the export of U.S. agricultural commodities.

A provision in the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriation Act, 2003, Division A of Public Law 108-7, made permanent a prohibition on the use of agency funds to promote the sale or export of tobacco or tobacco products.

COMMITTEE RECOMMENDATIONS

For the Foreign Agricultural Service, the Committee recommends an appropriation of \$131,648,000. This amount is \$2,545,000 more than the fiscal year 2003 appropriation. This amount does not include \$16,000 for FECA administrative charges, as requested in the budget.

The Committee expects the FAS to fund the Foreign Market Development Cooperator Program at no less than the fiscal year 2003 level.

The Committee provides the fiscal year 2004 budget request level of \$5,000,000 for the Cochran Fellowship Program. The Committee encourages the Secretary to continue to provide additional support for the program through the Commodity Credit Corporation Emerging Markets Program.

The Committee continues to include language in a general provision in the bill, as requested in the budget, to allow up to \$2,000,000 of the amount appropriated to the FAS to remain available until expended solely for the purpose of offsetting fluctuations in international currency exchange rates, subject to documentation.

The Committee expects the Secretary to use the fully-authorized levels of the Dairy Export Incentive Program [DEIP], consistent with GATT Uruguay commitments, in order to ensure U.S. producers have fair access to foreign markets.

The Committee encourages the Foreign Agricultural Service to assist the Alaska Seafood Marketing Institute and the Alaska Fisheries Development Foundation in marketing Alaska salmon and other seafood to overseas markets.

To promote the export of domestic farm products and improve world agriculture trade conditions, the Foreign Agricultural Service must increase its efforts to improve the understanding among trading partners of the safety of biotechnology and the thoroughness of the U.S. regulatory oversight of biotechnology. As trading partners construct regulatory systems for biotechnology and commodity trade, FAS is frequently requested to provide experts for the purpose of educating foreign government officials on the U.S. regulatory system. If the United States fails to participate in such discussions, those attempting to limit the access to foreign markets by U.S. producers will be presented an opportunity to undermine confidence in the benefits and safety of the technology while reducing trade opportunities for American producers. The Committee directs FAS to allocate adequate funding to meet the needs of our trading partners so that officials from the Department of Agriculture may, when requested, educate foreign regulators on the safety of the technology and the thoroughness of the U.S. regulatory process.

In addition, the Committee continues to urge the Secretary to work with representatives of the dairy industry and appropriate non-governmental organizations to increase the amount of fortified dry milk exported under humanitarian assistance programs.

The Committee is aware of the continuing buildup of surplus non-fat dry milk acquired by the CCC through the dairy price support program. The Committee is concerned with increasing storage costs associated with this buildup and encourages the agency to utilize all existing food donation programs to reduce this growing surplus.

The Committee encourages FAS to support the Central Asia/Krasnodar, Turkey and China Initiative project for the development of biotechnological and conservation activities and to develop services modeled on the Cooperative Extension Service. The Committee also recommends FAS support for the “Good Neighbor Partnership—Azores” initiative by the Azores Collaborative Research and Education Group [ACREG].

PUBLIC LAW 480 TITLE I PROGRAM ACCOUNT

(In thousands of dollars)

	Credit level	Loan subsidy	Administrative expenses
Appropriations, 2003	153,663	115,416	2,045
Budget estimate, 2004	131,670	103,887	4,041
Committee recommendation	131,670	103,887	2,134

The Federal Credit Reform Act of 1990 established the program account. Appropriations to this account will be used to cover the lifetime subsidy cost associated with direct loans obligated in 2004 and beyond, as well as for administrative expenses.

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

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

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

COMMITTEE RECOMMENDATIONS

For Public Law 480, title I, the Committee recommends total appropriations of \$106,021,000. This amount is \$11,440,000 less than the fiscal year 2003 appropriation. This appropriation will support

a Public Law 480, title I, credit level of \$131,670,000 for fiscal year 2004, \$21,993,000 less than the fiscal year 2003 level. The corresponding loan levels, loan subsidy amounts, and administrative expenses are reflected in the table above, as compared to the fiscal year 2003 and budget request levels.

PUBLIC LAW 480 TITLE I OCEAN FREIGHT DIFFERENTIAL GRANTS

Appropriations, 2003	\$24,995,000
Budget estimate, 2004	28,000,000
Committee recommendation	28,000,000

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

COMMITTEE RECOMMENDATIONS

For Public Law 480 ocean freight differential costs, the Committee recommends \$28,000,000. This amount is \$3,005,000 more than the fiscal year 2003 appropriation.

PUBLIC LAW 480 TITLE II GRANTS

Appropriations, 2003 ¹	\$1,440,575,000
Budget estimate, 2004	1,185,000,000
Committee recommendation	1,192,000,000

¹Excludes emergency wartime supplemental appropriations of \$369,000,000 provided by Public Law 108–11.

The Committee recognizes the important mission of the Public Law 480 Program to combat hunger and malnutrition; promote broad-based equitable and sustainable development; expand international trade; develop and expand export markets for U.S. agricultural commodities; and to foster and encourage the development of private enterprise and democratic participation in developing countries. The Committee strongly supports the continued efficient operation of this important program.

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 RECOMMENDATIONS

For Title II, the Committee recommends a program level of \$1,192,000,000. This amount is \$248,575,000 less than the fiscal year 2003 appropriation.

The Committee expects the administration to allocate no less than 1,875,000 metric tons of the commodities provided under Title II to non-emergency programs. Unanticipated emergency needs, such as the famine in southern Africa, should be met primarily through the section 416b program, the Bill Emerson Humanitarian Trust, or emergency appropriations.

The Committee directs the administration not to place arbitrary limits on monetization under the Public Law 480 title II program. In food-deficit, import-reliant countries, monetization stimulates the economy and allows needed commodities to be provided in the marketplace. Food aid proposals should be approved based on the merits of the program plan to promote food security and improve people's lives, not on the level of monetization.

The Committee supports the use of title II funds in fiscal year 2004 to continue the fiscal year 2003 level of funding for the orphan feeding program in Haiti.

The Committee notes the extraordinary effort made by the people of Alaska through Rotary International, the Interfaith Council, the Municipality of Anchorage, and other groups to collect and distribute food and other assistance to people living in the Russian Far East. The Committee urges the Administration to work with these entities to take advantage of their volunteer efforts in feeding people in the Russian Far East, particularly abandoned children living in orphanages and hospitals.

The Farm Security and Rural Investment Act of 2002 increased the level of Public Law 480 Title II non-emergency assistance to 1,875,000 metric tons. Congress provided this level to help address the underlying causes of hunger in the world. The Committee expects that funding for Public Law 480 Title II will be used for its intended purpose and not for ad hoc emergency assistance. In the event of additional emergency needs, the Committee reminds the Department of the availability of the Bill Emerson Humanitarian Trust.

As proposed in the budget, the Committee provides no new funding for title III grants. Authority is provided by law (7 U.S.C. 1736f) to transfer up to 15 percent of the funds available for any fiscal year for carrying out any title of Public Law 480 to any other title of the program. This authority may be used to transfer funds to title III should a transfer be deemed appropriate.

McGOVERN-DOLE INTERNATIONAL FOOD FOR EDUCATION AND CHILD NUTRITION PROGRAM GRANTS

Appropriations, 2003 .....	.....
Budget estimate, 2004	\$50,000,000
Committee recommendation	25,000,000

Authorized in the Farm Security and Rural Investment Act of 2002, Public Law 107-171, the McGovern-Dole International Food for Education and Child Nutrition Program helps support education, child development, and food security for some of the world's poorest children. The program provides for donations of U.S. agricultural products, as well as financial and technical assistance, for school feeding and maternal and child nutrition projects in low-income, food-deficit countries that are committed to universal education. Commodities made available for donation through agreements with private voluntary organizations, cooperatives, intergovernmental organizations, and foreign governments may be donated for direct feeding or for local sale to generate proceeds to support school feeding and nutrition projects. For fiscal year 2003, \$100,000,000 from the Commodity Credit Corporation was used to fund this program.

COMMITTEE RECOMMENDATIONS

The Committee provides \$25,000,000 for the McGovern-Dole Food for Education and Child Nutrition Program. The Committee is aware that opportunities may exist to use Food for Progress resources in certain countries through arrangements consistent with the objectives of the McGovern-Dole Program. The Secretary is encouraged to investigate the possible use of Food for Progress resources to supplement funds made available by this Act to carry out activities consistent with the McGovern-Dole Program and report to the Committee on the specific countries for which this opportunity may exist and the extent to which such use is a prudent allocation of resources.

COMMODITY CREDIT CORPORATION EXPORT LOANS PROGRAM ACCOUNT

(EXPORT CREDIT PROGRAMS, GSM-102 AND GSM-103)

(In thousands of dollars)

	Guaranteed loan levels ¹	Guaranteed loan subsidy ¹	Administrative expenses
Appropriations, 2003	4,225,000	293,927	4,032
Budget estimate, 2004	4,155,000	297,000	4,312
Committee recommendation	4,155,000	297,000	4,152

¹ No appropriation required since export credit authorizations are permanent authority.

In 1980, the Commodity Credit Corporation [CCC] instituted the Export Credit Guarantee Program (GSM-102) under its charter authority. With this program, CCC guarantees, for a fee, payments due U.S. exporters under deferred payment sales contracts (up to 36 months) for defaults due to commercial as well as noncommercial risks. The risk to CCC extends from the date of export to the end of the deferred payment period covered in the export sales contract and covers only that portion of the payments agreed to in the assurance agreement. Operation of this program is based on criteria which will assure that it is used only where it is determined that it will develop new market opportunities and maintain and expand existing world markets for U.S. agricultural commodities. The program encourages U.S. financial institutions to provide financing to those areas where the institutions would be unwilling to provide financing in the absence of the CCC guarantees. Other credit ac-

tivities may also be financed under the Export Credit Guarantee programs including supplier credit guarantee, under which CCC guarantees payments due to importers under short term financing (up to 180 days) that exporters extend directly to importers for the purchase of U.S. agricultural products. CCC also provides facilities financing guarantees.

In 1986, the Intermediate Export Credit Guarantee Program (GSM-103) was implemented by CCC under its charter authority as required by the Food Security Act of 1985. The program is similar to the Export Credit Guarantee Program (GSM-102), but provides for CCC guarantees to exporters for commodities sold on credit terms in excess of 3 years, but not more than 10 years. The program also provides for adjusting the maximum amount of interest which CCC guarantees to pay under the payment guarantee and permits freight costs to be covered for breeding animals financed under the GSM-102 and GSM-103 programs.

The Federal Credit Reform Act of 1990 establishes the program account. The subsidy costs of the CCC export guarantee programs are exempt from the requirement of advance appropriations of budget authority according to section 504(c)(2) of the Federal Credit Reform Act of 1990, Public Law 101-508. Appropriations to this account will be used for administrative expenses.

TITLE VI—RELATED AGENCIES AND FOOD AND DRUG
ADMINISTRATION

DEPARTMENT OF HEALTH AND HUMAN SERVICES

FOOD AND DRUG ADMINISTRATION

The Food and Drug Administration [FDA] is a scientific regulatory agency whose mission is to promote and protect the public health and safety of Americans. FDA's work is a blending of science and law. The Food and Drug Administration Modernization Act of 1997 [FDAMA] reaffirmed the responsibilities of the FDA: to ensure safe and effective products reach the market to a timely way, and to monitor products for continued safety after they are in use. In addition, FDA is entrusted with two critical functions in the Nation's war on terrorism: preventing willful contamination of all regulated products, including food, and improving the availability of medications to prevent or treat injuries caused by biological, chemical or nuclear agents.

The FDA Foods program has the primary responsibility for assuring that the food supply, quality of foods, food ingredients and dietary supplements are safe, sanitary, nutritious, wholesome, and honestly labeled, and that cosmetic products are safe and properly labeled. The variety and complexity of the food supply has grown dramatically while new and more complex safety issues, such as emerging microbial pathogens, natural toxins, and technological innovations in production and processing, have developed. This program plays a major role in keeping the United States food supply among the safest in the world.

The FDA Drugs programs are comprised of three separate areas, Human Drugs, Animal Drugs and Biologics. FDA is responsible for the life cycle of the product, including premarket review and postmarket surveillance of human, animal and biological products to ensure their safety and efficacy. For Human Drugs this includes assuring that all drug products used for the prevention, diagnosis and treatment of disease are safe and effective. Additional procedures include the review of investigational new drug applications; evaluation of market applications for new and generic drugs, labeling and composition of prescription and over-the-counter drugs; monitoring the quality and safety of products manufactured in, or imported into, the United States; and, regulating the advertising and promotion of prescription drugs. The Animal Drugs and Feeds Program ensures only safe and beneficial veterinary drugs, intended for the treatment and/or prevention of diseases in animals and the improved production of food-producing animals, are approved for marketing.

The FDA Biologics program assures that blood and blood products, blood test kits, vaccines, and therapeutics are pure, potent,

safe, effective, and properly labeled. The program inspects blood banks and blood processors, licenses and inspects firms collecting human source plasma, evaluates and licenses biologics manufacturing firms and products; lot releases licensed products; and monitors adverse events associated with vaccine immunization.

The FDA Devices and Radiological program ensures the safety and effectiveness of medical devices and eliminates unnecessary human exposure to manmade radiation from medical, occupational, and consumer products. In addition, the program enforces quality standards under the Mammography Quality Standards Act. Medical devices include thousands of products from thermometers and contact lenses to heart pacemakers, hearing aids, MRIs, microwave ovens, and video display terminals.

FDA's National Center for Toxicological Research in Jefferson, Arkansas, serves as a specialized resource, conducting peer-review scientific research that provides the basis for FDA to make sound science-based regulatory decisions through its premarket review and postmarket surveillance. The research is designed to define and understand the biological mechanisms of action underlying the toxicity of products and developing methods to improve assessment of human exposure, susceptibility and risk of those products regulated by FDA.

SALARIES AND EXPENSES

(In thousands of dollars)

	Appropriation	Prescription drug user fees	Medical device user fees	Mammography clinics inspection fees	Export and certification fees	Total
Appropriations, 2003	1,373,131	222,900	25,125	16,112	6,378	1,643,646
Budget estimate, 2004	1,394,617	249,825	29,190	16,576	6,649	1,696,857
Committee recommendation	1,384,213	249,825	29,190	16,576	6,649	1,686,453

COMMITTEE RECOMMENDATIONS

For salaries and expenses, the Committee recommends an appropriation of \$1,384,213,000. This amount is \$11,082,000 more than the fiscal year 2003 appropriation. The Committee also recommends \$249,825,000 in Prescription Drug User Fee Act user fee collections, \$29,190,000 in Medical Device User Fee and Modernization Act user fee collections, \$16,576,000 in Mammography Quality Standards Act fee collections, and \$6,649,000 in export and certification fees, as assumed in the President's budget. These amounts are \$26,925,000, \$4,065,000, \$464,000, and \$271,000 more than the 2003 levels, respectively. The Committee includes bill language which prohibits FDA from developing, establishing, or operating any program of user fees authorized by 31 U.S.C. 9701.

The following table reflects the Committee's recommendations, as compared to the fiscal year 2003 and budget request levels:

FOOD AND DRUG ADMINISTRATION SALARIES AND EXPENSES

[In thousands of dollars]

	Fiscal year—		Committee recommendation
	2003 enacted	2004 request	
Centers and related field activities:			
Foods	410,452	413,208	412,020
Center for Food Safety and Applied Nutrition [CFSAN]	148,069	144,351	144,382
Field activities	262,383	268,857	267,638
Human drugs	276,120	303,802	293,595
Center for Drug Evaluation and Research [CDER]	176,669	206,979	197,536
Orphan product grants	13,270	13,270	13,270
Field activities	86,181	83,553	82,789
Biologics	145,820	124,494	123,539
Center for Biologics Evaluation and Research [CBER]	117,584	97,854	97,084
Field activities	28,236	26,640	26,455
Animal drugs	88,349	85,224	84,646
Center for Veterinary Medicine [CVM]	57,470	55,657	55,281
Field activities	30,879	29,567	29,365
Medical and radiological devices	193,359	184,543	191,878
Center for Devices and Radiological Health [CDRH]	140,432	133,815	141,496
Field activities	52,927	50,728	50,382
National Center for Toxicological Research [NCTR]	40,403	40,151	39,887
Other activities	84,134	91,821	90,154
Office of the Commissioner	13,080	29,422	29,075
Office of Management and Systems	40,655	42,505	41,323
Office of Senior Associate Commissioner	8,200		
Office of External Relations		7,364	7,323
Office of International and Constituent Relations	7,362		
Office of Policy, Legislation, and Planning	8,044	5,567	5,514
Central services	6,793	6,963	6,919
Rent and related activities	36,261	42,498	40,261
Rental payments to GSA	98,233	108,876	108,233
Total, FDA salaries and expenses, new budget authority	1,373,131	1,394,617	1,384,213

The Committee recommends the following increases in budget authority for FDA salaries and expenses activities: \$20,500,000 for counterterrorism activities related to food safety; \$2,400,000 for activities related to patient safety; \$10,000,000 for increased medical device review; \$600,000 to improve FDA's over-the-counter [OTC] drug program; \$8,000,000 to reduce review times and increase the number of generic drugs on the market; \$3,000,000 for activities related to the Best Pharmaceuticals for Children Act; \$4,000,000 to continue the relocation of the Center for Drug Evaluation and Research; and \$1,374,000 to continue implementation of the Unified Financial Management System. The Committee also recommends a decrease in budget authority requested in the budget of

\$57,575,000 associated with management savings and information technology consolidation efforts.

The Committee understands that FDA and the Department of Health and Human Services [DHHS] are making progress in migrating from FDA's legacy systems and preparing for the implementation of the DHHS Unified Financial Management System. The Committee expects the same funding ratios for the two respective projects as was established in fiscal year 2003 to continue progress.

Other Activities Reorganization.—The Committee has provided funding consistent with the President's request for a reorganization within the "Other Activities" line item. Specifically, the Office of the Senior Associate Commissioner has been streamlined and re-titled the Office of External Relations [OER]. The OER will consist of the current Advisory Committee Oversight and Management Staff as well as the Office of Executive Secretariat, Office of Public Affairs, Office of the Ombudsman, and Office of Special Health Issues. Further, the funding and responsibilities of the Office of International and Constituent Relations will be divided between the Office of the Commissioner and the OER.

Rent Payments.—The Committee recommends \$108,233,000 for FDA rental payments to the General Services Administration [GSA]. This is \$10,000,000 more than the 2003 level. The Committee has included \$4,000,000 for relocation expenses related to the move of the Center for Drug Evaluation and Research to the consolidated White Oak campus. It is expected that the remaining \$2,000,000 necessary for this phase of the move will be provided from carryover funds available in the Prescription Drug User Fee account.

Within the total funding available, at least \$2,534,000 is for FDA activities in support of *Codex Alimentarius*.

Agricultural Products Food Safety Laboratory.—The Committee provides \$2,000,000, an increase of \$250,000 over the fiscal year 2003 level, for the FDA to continue its contract with New Mexico State University's Physical Sciences Laboratory to operate the Food Technology Evaluation Laboratory, which conducts evaluation and development of rapid screening methodologies, technologies, and instrumentation; and to provide technology deployment modeling and data analysis for food safety and product safety in order to facilitate FDA's regulations and responsibilities in food safety, product safety, homeland security, bioterrorism, and other initiatives.

The Committee expects the FDA to continue its support for the Waste Management Education and Research Consortium [WERC] and its work in food safety technology verification and education at no less than the fiscal year 2003 level.

With the growing threat of foodborne illness to the public health, the Committee believes that collaborative research in food safety should continue among Government, academia, and private industry. The national model for that collaboration has been the National Center for Food Safety and Technology [NCFST] in Summit-Argo, Illinois. The Committee expects the FDA to maintain sufficient funding for the National Center to continue the important work done there.

In addition, the funding provided for food safety will ensure the continuation of food contract inspections in the State of Alaska. Specifically, it will allow the FDA to renew its contract with the State of Alaska for inspections of food and seafood processors operating in Alaska. The current contract became effective on June 12, 2003. It will fund at least 292 inspections, approximately 272 seafood/HACCP inspections and 20 other food inspections, at a cost of approximately \$269,000. The establishments to be inspected will be mutually agreed upon by FDA and the State of Alaska.

Seafood Safety.—General Accounting Office [GAO] reports on the safety of seafood have documented the inadequacy of the FDA efforts to address foodborne hazards in seafood, including shellfish. GAO found FDA's seafood inspection system provides consumers with inadequate protection for seafood-related foodborne illness. The Committee urges FDA to promote the development of new food safety technologies such as irradiation, flash freezing, high-pressure processing, or others that can cost-effectively reduce the incidence of pathogens, and technologies that can ensure constant safe temperatures of seafood throughout the food chain.

The Committee supports the ongoing work of the Interstate Shellfish Sanitation Conference and its joint efforts with the FDA and the shellfish industry to formulate shellfish safety regulations through the National Shellfish Sanitation Program. The Committee recommends no less than the fiscal year 2003 level be directed through the Office of Seafood Inspection to continue these activities, and directs that \$200,000 be directed to the Interstate Shellfish Sanitation Conference for the *Vibrio Vulnificus* Education Program.

The Committee is concerned that FDA has not taken effective action to address foodborne illness risks from the consumption of raw shellfish. In particular, the Committee is concerned that Interstate Shellfish Sanitation Commission's [ISSC] proposed steps to reduce the rates of death and illness due to consumption of *Vibrio vulnificus*-contaminated raw shellfish may not effectively address public health concerns.

The Committee also continues its concern with the agency's failure to bring FDA-regulated seafood into compliance with HACCP. However, the Committee is aware that special or unique circumstances may exist for particular seafood processors. While ultimate HACCP compliance is not in question, the Committee is specifically aware of Hawaii's lengthy and culturally important history of hook-and-line fisheries, auction markets, and the high consumption of raw tuna and other pelagic fish in Hawaii, and strongly encourages the Agency to take into account both the history and the industry's practical experience in approving a plan that is consistent with healthy seafood products and national standards for seafood safety.

The Committee has been advised that farmed salmon imported from overseas is fed feed with chemical additives to change the color of its flesh or the flesh is artificially dyed. A lawsuit was recently filed against national grocery chains alleging they do not adequately label the fish which are dyed. The Committee directs the Food and Drug Administration to continue to monitor information concerning the safety of the use of such additives and dyes in

seafood and to more aggressively enforce the clear and conspicuous disclosure of such additives and dyes to consumers on consumer packaging.

Chloramphenicol.—The Committee is aware that FDA currently rejects all shrimp imports that test positive for chloramphenicol, an antibiotic used in aquaculture that may cause severe effects in humans. However, FDA currently inspects approximately 2 percent of all seafood imports. The Committee believes that this number is too low, and encourages the FDA to use any available funding to increase the frequency of inspections for imported seafood.

Mercury.—New reports highlight the need to increase Federal attention to mercury levels in seafood and improve Federal advisories on potential mercury exposure through fish consumption. The Committee strongly encourages FDA to restart its fish monitoring program to track levels of mercury in frequently consumed seafood or species with potentially high mercury levels, as well as revise its mercury advisory to be consistent with recommendations from the National Academy of Sciences and the FDA Food Advisory Committee.

National Antimicrobial Resistance Monitoring Service.—The Committee supports the work of the National Antimicrobial Resistance Monitoring Service [NARMS] and its collaborative relationship between FDA, the Department of Agriculture, and the Centers for Disease Control and Prevention. The Committee expects the coordination of activities among these three areas of Government to result in the most unbiased presentation of timely, accurate data in the best interest of public health.

Orphan Products Grants.—Included in the Center for Drug Evaluation and Research is \$13,270,000 for the Orphan Products Grants Program. This is the same as the fiscal year 2003 level.

Dietary Supplements.—The Committee believes that the potential for dietary supplements to have positive health benefits has been realized in many cases. However, it is essential that FDA continue its efforts to ensure their safety, and to fully enforce the prohibition of false, misleading or unsubstantiated claims regarding dietary supplements implemented in the Dietary Supplement and Health Education Act [DSHEA] of 1994. The budget request includes total funding of approximately \$4,700,000 for the CFSAN Adverse Events Reporting System [CAERS], of which approximately \$1,500,000 is for dietary supplements. The Committee provides an increase of \$1,000,000 for CAERS over the budget request, bringing total funding to \$5,700,000. These funds are to be used to ensure prompt identification of and response to adverse health events related to foods including dietary supplements. The Committee notes that the budget request assumes additional reductions to the fiscal year 2003 level of \$6,600,000 resulting from information technology consolidation savings. The Committee believes that the CAERS program should be considered a high priority and any savings from IT consolidation should not result in any diminution of the program. Therefore, prior to any modifications to this system, the Committee instructs FDA to report on proposed consolidation efforts with detailed information on the impact to the system.

FDA has indicated that the ability to identify and analyze specific components in ingredients, including botanical ingredients, is

an essential component of research and regulatory programs directed at ensuring the safety and effectiveness of dietary supplements. The Committee expects the same level of review of botanicals in dietary supplements to continue in fiscal year 2004. This work is being carried out by FDA in collaboration with the National Center for Natural Products Research, Oxford, MS.

Biotechnology.—The Committee understands that the FDA frequently receives requests from foreign governments for FDA regulators to visit foreign countries to educate regulators on the evaluation of the safety of biotechnology. Providing information on the soundness of the U.S. regulatory process will promote the understanding of the benefits of biotechnology to human health and the environment and improve the climate for acceptance of U.S. agricultural products abroad. The Committee directs the FDA to allocate adequate funding so that agency representatives may perform this service.

Blood Product Safety.—The Committee remains concerned FDA has not moved forward in finalizing its proposed rule to require manufacturer tracking of blood-derived products and prompt patient notification of adverse events. The Committee continues to urge FDA to complete implementation of this important blood product safety mechanism and requests quarterly reports on its progress.

Blood Safety.—The Committee is aware that multiple standards currently exist regarding the collection of recovered and source plasma from blood, and encourages FDA to work with all stakeholders to ensure the equivalence of these standards in safeguarding the Nation's blood supply.

Generic Drugs.—Prompt approval of generic drug applications is imperative to making generic drugs available at the earliest possible date to American consumers. Therefore, the Committee is providing \$52,845,000 for the generic drugs program, an increase of \$8,000,000. The Committee expects that this increase will result in more than 85 percent of generic drug applications being reviewed within 6 months of submission.

FDA Reclassification of Medical Gloves.—The Committee remains concerned about the prevalence of natural rubber latex allergy, particularly among health care workers and patients, even though a small percentage of the general population is sensitive to latex protein. The Committee recognizes that proper glove choices are important, as health care workers and their patients will encounter risks of infection and/or disease if barrier protection against viral transmission is inadequate.

The Committee understands that latex gloves are acknowledged for their barrier effectiveness. The Committee is also aware that as a result of technological advances in manufacturing, the residual protein in some latex gloves has been largely removed, reducing the potential for allergic sensitization.

Recognizing the need for the public, and particularly health care workers, to be provided with the necessary information on proper glove choices, the Committee directs that the FDA finalize the 1999 proposed regulation that would reclassify all surgeon's and patient examination gloves as Class II Medical Devices. This would enable

medical gloves that provide effective barrier protection with low or zero allergen risk to be better appreciated and identified.

Standards of Identity.—The Committee is aware of the ongoing debate surrounding increased importation and use of milk protein concentrate. A General Accounting Office investigation highlighted a dramatic increase in milk protein concentrate imports. The Committee remains concerned with FDA's current lack of enforcement of standards of identity as it relates to the potential illegal use of milk protein concentrate in standardized cheese.

Office of Women's Health.—The Committee believes that it is imperative for FDA to pay sufficient attention to gender-based research, ensuring that products approved by the FDA are safe and effective for women as well as men. The Committee notes that in the budget request, the Office of Women's Health at FDA is funded at not less than \$3,075,000 for program operation and oversight. The Committee encourages FDA to ensure that the Office of Women's Health is sufficiently funded to carry out its activities, and to enhance its funding if necessary.

Medical Device Application Review.—The Committee is aware that for the last several years, premarket approval applications for breakthrough medical technologies have taken more than a year, despite the 180-day statutory maximum for approval or denial of such applications. In fact, it is the Committee's understanding that the average length of time for medical device premarket reviews is still over 400 days.

In an effort to address this unacceptable level of service, the medical device industry, the executive branch, and Congress worked together to develop the Medical Device User Fee and Modernization Act [MDUFMA] which was signed into law on October 26, 2002. Under the provisions of this Act, the medical device industry would pay a fee upon application for approval of a medical device, the FDA would meet certain statutory performance goals for timely review of these applications, and additional appropriations would be provided.

Although this Committee was not consulted during the development of this Act, a partial installment of \$4,000,000 was provided in fiscal year 2003 in order to begin implementation of the law. It was the Committee's expectation that the necessary subsequent funding would be included as part of the fiscal year 2004 request. Unfortunately, the fiscal year 2004 budget request does not even come close to the second-year amount necessary to meet the requirements of the law.

The Committee is extremely disappointed by this lack of commitment to MDUFMA, and strongly encourages the FDA to include the necessary appropriation in the fiscal year 2005 budget request. The Committee believes the intent of MDUFMA is extremely worthy, and that lifesaving medical devices should be approved as expeditiously as possible. Therefore, the Committee has provided an increase of \$10,000,000 for this program, and hopes to see increased support for MDUFMA in the future in order to prevent the termination of this worthwhile law.

Further, the Committee notes a requirement contained in the Senate report, printed in the January 15, 2003 Congressional Record on pages S356–S410, that the FDA provide a report within

90 days of the enactment of the fiscal year 2003 Consolidated Appropriations Act on the obligation of the \$4,000,000 provided for MDUFMA in fiscal year 2003, to include the number of employees to be hired, a description of their duties, and the effect those funds will have on premarket review times for medical devices. The Committee notes that the fiscal year 2003 Appropriations Act was signed into law on February 20, 2003. To date, this report has not yet been received. The Committee expects agency compliance with congressional directives, and urges in the strongest possible terms that this report be received no later than 1 week following the filing of this report.

Implanted Medical Devices.—The Committee acknowledges current FDA regulations designed to improve post-market surveillance for medical devices, and strongly encourages FDA to devote the necessary resources to require registries and monitor well-designed long-term safety studies for implanted devices, including but not limited to jaw implants. As the aging U.S. population becomes more dependent on implanted devices, the Committee believes it is essential that the FDA allocate adequate resources to patient safety activities related to these devices, such as registries, post-market surveillance, and long-term phase IV trials.

Tissue Safety.—Although FDA has placed proposed rules regarding donor suitability and good manufacturing practices related to tissue safety in the Unified Agenda as an “other significant” priority, the Committee remains concerned that these rules have not yet been finalized. In the fiscal year 2003 Senate report, printed in the January 15, 2003 Congressional Record, pages S356–S410, FDA was directed to finalize these rules “within 9 months of the enactment of this Act.” The fiscal year 2003 Omnibus Appropriations Act was signed into law on February 20, 2003. Therefore, the Committee expects FDA to finalize these proposed rules by November 20, 2003.

Chlorofluorocarbon Propelled Medicines.—The Committee is pleased that the FDA has published a rule articulating a transition strategy for removing chlorofluorocarbon [CFC] propelled medicines from the U.S. market. The Committee is aware that several well recognized patient and physician organizations which represent those who suffer from asthma and chronic obstructive pulmonary disease submitted a Citizen Petition to the FDA requesting that it take measures to remove albuterol from the list of essential uses for CRCs. The Committee encourages the FDA to respond to the petition request in a timely manner and, if appropriate, expeditiously implement a transition strategy as alternative non-CFC products enter the U.S. market.

Prescription Drug Monograph System.—The Committee is aware of interest in the establishment of a monograph system for prescription drug products that have been marketed to a material extent and for a material time without apparent safety or efficacy problems and do not have premarket approval. FDA currently regards these products as “DESI” (Drug Efficacy Study Implementation) or “DESI-II” products for compliance purposes. Such a monograph system would be modeled after the Agency’s system for over-the-counter pharmaceuticals that was established 30 years ago for products that were similarly generally recognized as safe and effec-

tive due to their long history of safe and effective marketing. The Committee is sympathetic to those who advocate such a monograph system, but recognizes that review of a proposal to establish such a system falls under the jurisdiction of the Health, Education, Labor, and Pensions Committee. However, in an effort to start the dialogue, the Committee directs FDA to prepare a report for the Committee on Appropriations and the Committee on Health, Education, Labor, and Pensions regarding the feasibility and cost of such a new monograph system for prescription drug products as described above. In the meantime, the Committee believes that enforcement resources regarding pharmaceutical products should be dedicated to activities that are most likely to improve the public health.

Color Certification Fees.—The Committee is aware that the color certification function, performed by FDA and paid for by user fees from the certified color industry, moved into new temporary space in October 2002, and is planning on moving into permanent space in the fall of 2004. Increased rent and security costs for the temporary space, which is much larger than necessary and significantly more expensive, are being paid by the color certification user fees. The Committee is aware that color certification user fee assessments have not increased since 1993, and that the industry received a rebate of \$1,000,000 from FDA in fiscal year 2002. However, the Committee is concerned that the industry must pay for space and security costs above necessary levels. The Committee is also concerned about the apparent lack of consultation with the industry as this office move was contemplated. The Committee directs FDA to provide a report on the steps that will be taken to ensure that there will not be any future excessive fluctuations in the cost of this program.

BUILDINGS AND FACILITIES

Appropriations, 2003	\$7,948,000
Budget estimate, 2004	11,500,000
Committee recommendation	7,948,000

In addition to Washington, DC, area laboratories which are in six separate locations, FDA has 16 laboratories at other locations around the country, including regular field laboratories and specialized facilities, as well as the National Center for Toxicological Research complex. Repairs, modifications, improvements and construction to FDA headquarters and field facilities must be made to preserve the properties, ensure employee safety, meet changing program requirements, and permit the agency to keep its laboratory methods up to date.

COMMITTEE RECOMMENDATIONS

For continued repairs and improvements of FDA buildings and facilities, the Committee recommends \$7,948,000. This amount is the same as the fiscal year 2003 appropriation.

INDEPENDENT AGENCIES

COMMODITY FUTURES TRADING COMMISSION

Appropriations, 2003	\$85,426,000
Budget estimate, 2004	88,435,000
Committee recommendation	90,435,000

The Commodity Futures Trading Commission [CFTC] was established as an independent agency by the Commodity Futures Trading Commission Act of 1974 (88 Stat. 1389; 7 U.S.C. 4a).

The Commission administers the Commodity Exchange Act, 7 U.S.C. section 1, et seq. The 1974 Act brought under Federal regulation futures trading in all goods, articles, services, rights, and interests; commodity options trading; and leverage trading in gold and silver bullion and coins; and otherwise strengthened the regulation of the commodity futures trading industry. It established a comprehensive regulatory structure to oversee the volatile futures trading complex.

The purpose of the Commission is to protect and further the economic utility of futures and commodity options markets by encouraging their efficiency, assuring their integrity, and protecting participants against manipulation, abusive trade practices, fraud, and deceit. The objective is to enable the markets to better serve their designated functions of providing a price discovery mechanism and providing price risk insurance. In properly serving these functions, the futures and commodity options markets contribute toward better production and financial planning, more efficient distribution and consumption, and more economical marketing.

Programs in support of the overall mission include market surveillance analysis and research; registration, audits, and contract markets; enforcement; reparations; proceedings; legal counsel; agency direction; and administrative support services. CFTC activities are carried out in Washington, DC; two regional offices located in Chicago and New York; and smaller offices in Kansas City, Los Angeles, and Minneapolis.

COMMITTEE RECOMMENDATIONS

For the Commodity Futures Trading Commission, the Committee recommends \$90,435,000. This amount is \$5,009,000 more than the fiscal year 2003 appropriation.

FARM CREDIT ADMINISTRATION

LIMITATION ON ADMINISTRATIVE EXPENSES

Limitation, 2003	\$38,400,000
Budget estimate, 2004 ¹	40,900,000
Committee recommendation	40,900,000

¹ Includes an increase of \$2,500,000 pursuant to the May 9, 2003, budget amendment.

The Farm Credit Administration [FCA] is the independent agency in the executive branch of the Government responsible for the examination and regulation of the banks, associations, and other institutions of the Farm Credit System.

Activities of the Farm Credit Administration include the planning and execution of examinations of Farm Credit System institu-

tions and the preparation of examination reports. FCA also establishes standards, enforces rules and regulations, and approves certain actions of the institutions.

The administration and the institutions under its jurisdiction now operate under authorities contained in the Farm Credit Act of 1971, Public Law 92-181, effective December 10, 1971. Public Law 99-205, effective December 23, 1985, restructured FCA and gave the agency regulatory authorities and enforcement powers.

The act provides for the farmer-owned cooperative system to make sound, adequate, and constructive credit available to farmers and ranchers and their cooperatives, rural residences, and associations and other entities upon which farming operations are dependent, and to modernize existing farm credit law to meet current and future rural credit needs.

The Agricultural Credit Act of 1987 authorized the formation of the Federal Agricultural Mortgage Corporation [FAMC] to operate a secondary market for agricultural and rural housing mortgages. The Farm Credit Administration, under section 8.11 of the Farm Credit Act of 1971, as amended, is assigned the responsibility of regulating this entity and assuring its safe and sound operation.

Expenses of the Farm Credit Administration are paid by assessments collected from the Farm Credit System institutions and by assessments to the Federal Agricultural Mortgage Corporation.

COMMITTEE RECOMMENDATIONS

The Committee recommends a limitation of \$40,900,000 on administrative expenses of the Farm Credit Administration [FCA]. This amount is \$2,500,000 more than the fiscal year 2003 limitation.

TITLE VII—GENERAL PROVISIONS

The majority of the general provisions are essentially the same as those included in the fiscal year 2003 and previous years' appropriations acts. In addition, the Committee recommends the following provisions:

Section 744 to limit the use of funds under section 2301 of Public Law 107–171.

Section 745 to limit use of funds under section 2502 of Public Law 107–171.

Section 746 to limit the use of funds under section 2503 of Public Law 107–171.

Section 747 to carry out section 6028 of Public Law 107–171.

Section 748 to limit the use of funds under section 6029 of Public Law 107–171.

Section 749 to limit the use of funds under section 6193 of Public Law 107–171.

Section 750 to limit the use of funds under section 9006 of Public Law 107–171.

Section 751 to authorize the payment of costs association with the preparation of discrimination complaints.

Section 752 to set the maximum level for single family housing assistance in high cost remote areas of Alaska.

Section 753 to rescind any unobligated balances in the Alternative Agricultural Research and Commercialization Revolving Fund.

Section 754 to provide funds to the Denali Commission.

Section 755 to provide community eligibility for rural housing programs.

Section 756 to provide community eligibility for the Rural Community Advancement Program.

Section 757 regarding loan or grant programs.

PROGRAM, PROJECT, AND ACTIVITY

During fiscal year 2004, for purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99–177) or the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987 (Public Law 100–119), the following information provides the definition of the term “program, project, and activity” for departments and agencies under the jurisdiction of the Agriculture, Rural Development, and Related Agencies Subcommittee. The term “program, project, and activity” shall include the most specific level of budget items identified in the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2004, the House and Senate Committee reports, and the conference report and accompanying joint explanatory statement of the managers of the committee of conference.

If a sequestration order is necessary, in implementing the Presidential order, departments and agencies shall apply any percentage reduction required for fiscal year 2004 pursuant to the provisions of Public Law 99–177 or Public Law 100–119 to all items specified in the explanatory notes submitted to the Committees on Appropriations of the House and Senate in support of the fiscal year 2004 budget estimates, as amended, for such departments and agencies, as modified by congressional action, and in addition:

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

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

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

COMPLIANCE WITH PARAGRAPH 7, RULE XVI OF THE STANDING RULES OF THE SENATE

Paragraph 7 of rule XVI requires that Committee reports accompanying general appropriations bills identify each recommended amendment which proposes an item of appropriation which is not made to carry out the provisions of an existing law, a treaty stipulation, or an act or resolution previously passed by the Senate during that session.

The Committee recommends funding for the following program which currently lacks authorization for fiscal year 2004:

Compact of Free Association Act of 1985.

COMPLIANCE WITH PARAGRAPH 7(C), RULE XXVI OF THE STANDING RULES OF THE SENATE

Pursuant to paragraph 7(c) of rule XXVI, on July 17, 2003, the Committee ordered reported en bloc: S. 1427, an original bill making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 2004; S. 1424, an original bill making appropriations for Energy and Water Development for the fiscal year ending September 30, 2004; and S. 1426, an original bill making appropriations for Foreign Operations, Export Financing, and related programs for the fiscal year ending September 30, 2004; each subject to amendment and each subject to the budget allocations, by a recorded vote of 29–0, a quorum being present. The vote was as follows:

Yeas	Nays
Chairman Stevens	
Mr. Cochran	
Mr. Specter	
Mr. Domenici	
Mr. Bond	
Mr. McConnell	
Mr. Burns	

Mr. Shelby
Mr. Gregg
Mr. Bennett
Mr. Campbell
Mr. Craig
Mrs. Hutchison
Mr. DeWine
Mr. Brownback
Mr. Byrd
Mr. Inouye
Mr. Hollings
Mr. Leahy
Mr. Harkin
Ms. Mikulski
Mr. Reid
Mr. Kohl
Mrs. Murray
Mr. Dorgan
Mrs. Feinstein
Mr. Durbin
Mr. Johnson
Ms. Landrieu

COMPLIANCE WITH PARAGRAPH 12, RULE XXVI OF THE
STANDING RULES OF THE SENATE

Paragraph 12 of rule XXVI requires that Committee reports on a bill or joint resolution repealing or amending any statute or part of any statute include “(a) the text of the statute or part thereof which is proposed to be repealed; and (b) a comparative print of that part of the bill or joint resolution making the amendment and of the statute or part thereof proposed to be amended, showing by stricken-through type and italics, parallel columns, or other appropriate typographical devices the omissions and insertions which would be made by the bill or joint resolution if enacted in the form recommended by the committee.”

In compliance with this rule, the following changes in existing law proposed to be made by the bill are shown as follows: existing law to be omitted is enclosed in black brackets; new matter is printed in italics; and existing law in which no change is proposed is shown in roman.

With respect to this bill, it is the opinion of the Committee that it is necessary to dispense with these requirements in order to expedite the business of the Senate.

BUDGETARY IMPACT OF BILL

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

[In millions of dollars]

	Budget authority		Outlays	
	Committee allocation ¹	Amount of bill	Committee allocation ¹	Amount of bill
Comparison of amounts in the bill with Committee allocations to its subcommittees of amounts in the Budget Resolution for 2004: Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies:				
Discretionary	17,005	17,005	17,891	¹ 17,632
Mandatory	55,536	60,488	39,472	¹ 39,142
Projections of outlays associated with the recommendation:				
2004				² 48,164
2005				5,599
2006				1,017
2007				644
2008 and future years				645
Financial assistance to State and local governments for 2004	NA	22,381	NA	17,673

¹ Includes outlays from prior-year budget authority.

² Excludes outlays from prior-year budget authority.

NA: Not applicable.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2003 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 2004
 [In thousands of dollars]

Item	2003 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2003 appropriation	Budget estimate
TITLE I—AGRICULTURAL PROGRAMS					
Production, Processing, and Marketing					
Office of the Secretary	3,368	10,068	10,046	+ 6,678	- 22
Executive Operations:					
Chief Economist	8,510	12,264	8,707	+ 197	- 3,557
National Appeals Division	13,670	14,242	13,997	+ 327	- 245
Office of Budget and Program Analysis	7,270	7,980	7,544	+ 274	- 436
Homeland Security staff		1,479	910	+ 910	- 569
Office of the Chief Information Officer	14,993	31,334	15,710	+ 717	- 15,624
Common computing environment	132,289	177,714	119,289	- 13,000	- 58,425
Office of the Chief Financial Officer	5,496	7,902	5,496		- 2,406
Working capital fund	11,922			- 11,922	
Total, Executive Operations	194,150	252,915	171,653	- 22,497	- 81,262
Office of the Assistant Secretary for Civil Rights	397	808	794	+ 397	- 14
Office of Civil Rights			15,445	+ 15,445	+ 15,445
Office of the Assistant Secretary for Administration	656	793	673	+ 17	- 120
Agriculture buildings and facilities and rental payments	(186,878)	(199,332)	(188,022)	(+ 1,144)	(- 11,310)
Payments to GSA	120,795	123,910	123,910	+ 3,115	
Building operations and maintenance	32,327	41,445	32,959	+ 232	- 8,886
Repairs, renovations, and construction	33,756	33,977	31,553	- 2,203	- 2,424
Hazardous materials management	15,583	15,713	15,611	+ 28	- 102
Departmental administration	37,628	45,128	23,031	- 14,597	- 22,097
Office of the Assistant Secretary for Congressional Relations	3,781	4,186	3,825	+ 44	- 361
Office of Communications	9,031	10,084	9,228	+ 197	- 856
Office of the Inspector General	73,416	81,895	75,781	+ 2,365	- 6,114
Office of the General Counsel	34,700	37,328	35,343	+ 643	- 1,985
Office of the Under Secretary for Research, Education and Economics	580	792	596	+ 16	- 196
Economic Research Service	68,674	76,657	69,902	+ 1,228	- 6,755

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2003 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 2004—Continued

(In thousands of dollars)

Item	2003 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2003 appropriation	Budget estimate
National Agricultural Statistics Service	138,448	136,182	128,922	- 9,526	- 7,260
Census of Agriculture	(41,274)	(25,279)	(25,279)	(- 15,995)	.....
Agricultural Research Service:					
Salaries and expenses	1,036,779	987,303	1,045,533	+ 8,754	+ 58,230
Buildings and facilities	118,703	24,000	46,000	- 72,703	+ 22,000
Supplemental appropriations (Public Law 108-11)	110,000	.....	.....	- 110,000	.....
Total, Agricultural Research Service	1,265,482	1,011,303	1,091,533	- 173,949	+ 80,230
Cooperative State Research, Education, and Extension Service:					
Research and education activities	616,792	514,228	617,575	+ 783	+ 103,347
Native American Institutions Endowment Fund	(7,054)	(9,000)	(9,000)	(+ 1,946)	.....
Extension activities	450,520	422,268	450,084	- 436	+ 27,816
Integrated activities	46,439	62,865	46,711	+ 272	- 16,154
Outreach for socially disadvantaged farmers	3,470	4,003	3,470	.....	- 533
Total, Cooperative State Research, Education, and Extension Service	1,117,221	1,003,364	1,117,840	+ 619	+ 114,476
Office of the Under Secretary for Marketing and Regulatory Programs	721	791	736	+ 15	- 55
Animal and Plant Health Inspection Service:					
Salaries and expenses	682,758	694,897	705,552	+ 22,794	+ 10,655
Buildings and facilities	9,924	4,996	4,996	- 4,928	.....
Total, Animal and Plant Health Inspection Service	692,682	699,893	710,548	+ 17,866	+ 10,655
Agricultural Marketing Service:					
Marketing Services	75,210	75,071	75,263	+ 53	+ 192
Standardization user fees	(5,000)	(5,000)	(5,000)	.....	.....
(Limitation on administrative expenses, from fees collected)	(61,619)	(62,577)	(62,577)	(+ 958)	.....
Funds for strengthening markets, income, and supply (transfer from section 32)	14,910	15,392	15,392	+ 482	.....

Payments to states and possessions	1,338	1,347	3,338	+ 2,000	+ 1,991
Total, Agricultural Marketing Service	91,458	91,810	93,993	+ 2,535	+ 2,183
Grain Inspection, Packers and Stockyards Administration:					
Salaries and expenses	39,690	41,688	35,638	- 4,052	- 6,050
Limitation on inspection and weighing services	(42,463)	(42,463)	(42,463)		
Office of the Under Secretary for Food Safety	595	792	611	+ 16	- 181
Food Safety and Inspection Service	754,821	797,149	783,761	+ 28,940	- 13,388
Lab accreditation fees ¹	(1,000)	(1,000)	(1,000)		
Total, Production, Processing, and Marketing	4,729,960	4,518,671	4,583,532	- 146,428	+ 64,861
Farm Assistance Programs					
Office of the Under Secretary for Farm and Foreign Agricultural Services	614	916	635	+ 21	- 281
Farm Service Agency:					
Salaries and expenses	970,389	1,016,836	988,768	+ 18,379	- 28,068
(Transfer from export loans)	(829)	(985)	(846)	(+ 17)	(- 139)
(Transfer from Public Law 480)	(1,019)	(2,975)	(1,075)	(+ 56)	(- 1,900)
(Transfer from ACIF)	(277,361)	(290,136)	(283,020)	(+ 5,659)	(- 7,116)
Subtotal, transfers from program accounts	(279,209)	(294,096)	(284,941)	(+ 5,732)	(- 9,155)
Total, Salaries and expenses	(1,249,598)	(1,310,932)	(1,273,709)	(+ 24,111)	(- 37,223)
State mediation grants	3,974	4,000	3,974		- 26
Dairy indemnity program	100	100	100		
Subtotal, Farm Service Agency	974,463	1,020,936	992,842	+ 18,379	- 28,094
Agricultural Credit Insurance Fund Program Account:					
Loan authorizations:					
Farm ownership loans:					
Direct	(129,155)	(140,149)	(129,158)	(+ 3)	(- 10,991)
Guaranteed	(993,500)	(1,000,000)	(950,000)	(- 43,500)	(- 50,000)
Subtotal	(1,122,655)	(1,140,149)	(1,079,158)	(- 43,497)	(- 60,991)
Farm operating loans:					
Direct	(601,068)	(650,000)	(601,068)		(- 48,932)
Unsubsidized guaranteed	(1,688,950)	(1,400,000)	(1,200,000)	(- 488,950)	(- 200,000)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2003 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 2004—Continued
[In thousands of dollars]

Item	2003 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2003 appropriation	Budget estimate
Subsidized guaranteed	(397,400)	(266,249)	(266,249)	(- 131,151)	.....
Subtotal	(2,687,418)	(2,316,249)	(2,067,317)	(- 620,101)	(- 248,932)
Indian tribe land acquisition loans	(1,987)	(2,000)	(2,000)	(+ 13)	.....
Boll weevil eradication loans	(100,000)	(60,000)	(100,000)	.....	( + 40,000)
Total loan authorizations	(3,912,060)	(3,518,398)	(3,248,475)	(- 663,585)	(- 269,923)
Loan subsidies:					
Farm ownership loans:					
Direct	14,995	30,945	28,518	+ 13,523	- 2,427
Guaranteed	7,451	5,400	5,130	- 2,321	- 270
Subtotal	22,446	36,345	33,648	+ 11,202	- 2,697
Farm operating loans:					
Direct	103,744	93,730	86,674	- 17,070	- 7,056
Unsubsidized guaranteed	53,540	46,620	39,960	- 13,580	- 6,660
Subsidized guaranteed	46,893	34,000	34,000	- 12,893	.....
Subtotal	204,177	174,350	160,634	- 43,543	- 13,716
Indian tribe land acquisition	178	.....	.....	- 178	.....
Total loan subsidies	226,801	210,695	194,282	- 32,519	- 16,413
ACF expenses:					
Salaries and expense (transfer to FSA)	277,361	290,136	283,020	+ 5,659	- 7,116
Administrative expenses	7,948	8,000	7,948	.....	- 52
Total ACF expenses	285,309	298,136	290,968	+ 5,659	- 7,168
Total Agricultural Credit Insurance Fund	512,110	508,831	485,250	- 26,860	- 23,581

(Loan authorization)	(3,912,060)	(3,518,398)	(3,248,475)	(-663,585)	(-269,923)
Total, Farm Service Agency	1,486,573	1,529,767	1,478,092	-8,481	-51,675
Risk Management Agency	70,248	78,488	71,422	+1,174	-7,066
Total, Farm Assistance Programs	1,557,435	1,609,171	1,550,149	-7,286	-59,022
Corporations					
Federal Crop Insurance Corporation: Federal crop insurance corporation fund	2,886,000	3,368,000	3,368,000	+482,000	.....
Commodity Credit Corporation Fund:					
Reimbursement for net realized losses	16,285,000	17,275,000	17,275,000	+990,000	.....
Hazardous waste management (limitation on administrative expenses)	(5,000)	(5,000)	(5,000)	.....	.....
Total, Corporations	19,171,000	20,643,000	20,643,000	+1,472,000	.....
Total, title I, Agricultural Programs	25,458,395	26,770,842	26,776,681	+1,318,286	+5,839
(By transfer)	(279,209)	(294,096)	(284,941)	(+5,732)	(-9,155)
(Loan authorization)	(3,912,060)	(3,518,398)	(3,248,475)	(-663,585)	(-269,923)
(Limitation on administrative expenses)	(109,082)	(110,040)	(110,040)	(+958)	.....
TITLE II—CONSERVATION PROGRAMS					
Office of the Under Secretary for Natural Resources and Environment	740	918	761	+21	-157
Natural Resources Conservation Service:					
Conservation operations	819,641	703,605	826,635	+6,994	+123,030
Watershed surveys and planning	11,124	5,000	10,000	-1,124	+5,000
Watershed and flood prevention operations	109,285	40,000	55,000	-54,285	+15,000
Watershed rehabilitation program	29,805	10,000	29,805	.....	+19,805
Resource conservation and development	50,668	49,943	51,000	+332	+1,057
Farm bill technical assistance .....	.....	432,160	.....	.....	-432,160
Total, Natural Resources Conservation Service	1,020,523	1,240,708	972,440	-48,083	-268,268
Total, title II, Conservation Programs	1,021,263	1,241,626	973,201	-48,062	-268,425
TITLE III—RURAL DEVELOPMENT PROGRAMS					
Office of the Under Secretary for Rural Development	632	913	651	+19	-262

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2003 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 2004—Continued
[In thousands of dollars]

Item	2003 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2003 appropriation	Budget estimate
Rural Development:					
Rural community advancement program	901,837	477,864	769,479	-132,358	+291,615
Tree assistance (sec. 747)	(-29,805)		(-30,000)	(-195)	(-30,000)
(Transfer out)					
Total, Rural community advancement program	901,837	477,864	769,479	-132,358	+291,615
RD expenses:					
Salaries and expenses	144,789	147,520	140,922	-3,867	-6,598
(Transfer from RHF)	(429,564)	(482,787)	(439,453)	(+9,889)	(-43,334)
(Transfer from RDLFP)	(4,163)	(4,850)	(4,283)	(+120)	(-567)
(Transfer from RETLP)	(37,587)	(41,562)	(37,920)	(+333)	(-3,642)
(Transfer from RTB)	(3,062)	(3,462)	(3,182)	(+120)	(-280)
Subtotal, Transfers from program accounts	(474,376)	(532,661)	(484,838)	(+10,462)	(-47,823)
Total, RD expenses	(619,165)	(680,181)	(625,760)	(+6,595)	(-54,421)
Total, Rural Development	1,046,626	625,384	910,401	-136,225	+285,017
Rural Housing Service:					
Rural Housing Insurance Fund Program Account:					
Loan authorizations:					
Single family (sec. 502)	(1,037,866)	(1,366,462)	(1,359,417)	(+321,551)	(-7,045)
Unsubsidized guaranteed	(2,845,318)	(2,725,172)	(2,725,172)	(-120,146)	
Subtotal, Single family	(3,883,184)	(4,091,634)	(4,084,589)	(+201,405)	(-7,045)
Housing repair (sec. 504)	(34,772)	(35,003)	(35,004)	(+232)	(+1)
Rental housing (sec. 515)	(115,053)	(70,830)	(115,052)	(-1)	(-1)
Site loans (sec. 524)	(5,013)	(5,046)	(5,045)	(+32)	(-1)

Multi-family housing guarantees (sec. 538)	(99,350)	(100,000)	(100,000)	(+ 650)	
Multi-family housing credit sales	(1,988)	(1,500)	(1,500)	(- 488)	
Single family housing credit sales	(10,000)	(10,000)	(10,000)		
Self-help housing land develop. (sec. 523)	(4,979)	(5,000)	(1,623)	(- 3,356)	(- 3,377)
Total, Loan authorizations	(4,154,339)	(4,319,013)	(4,352,813)	(+ 198,474)	(+ 33,800)
Loan subsidies:					
Single family (sec. 502)	201,035	126,018	126,018	- 75,017	
Unsubsidized guaranteed	32,388	39,903	39,903	+ 7,515	
Subtotal, Single family	233,423	165,921	165,921	- 67,502	
Housing repair (sec. 504)	10,786	9,612	9,612	- 1,174	
Rental housing (sec. 515)	53,649	30,464	49,484	- 4,165	+ 19,020
Site loans (sec. 524)	55			- 55	
Multi-family housing guarantees (sec. 538)	4,471	5,950	5,950	+ 1,479	
Multi-family housing credit sales	928	663	663	- 265	
Single family housing credit sales					
Self-help housing land develop. (sec. 523)	220	154	50	- 170	- 104
Total, Loan subsidies	303,532	212,764	231,680	- 71,852	+ 18,916
RHF administrative expenses (transfer to RD)	429,564	482,787	439,453	+ 9,889	- 43,334
Rental assistance program:					
(Sec. 521)	715,419	734,100	715,381	- 38	- 18,719
(Sec. 502(c)(5)(D))	5,862	5,900	5,900	+ 38	
Total, Rental assistance program	721,281	740,000	721,281		- 18,719
Total, Rural Housing Insurance Fund	1,454,377	1,435,551	1,392,414	- 61,963	- 43,137
(Loan authorization)	(4,154,339)	(4,319,013)	(4,352,813)	(+ 198,474)	(+ 33,800)
Mutual and self-help housing grants	34,772	34,000	34,000	- 772	
Rural housing assistance grants	42,222	41,500	46,222	+ 4,000	+ 4,722
Farm labor program account	36,071	35,018	33,015	- 3,056	- 2,003
Subtotal, grants and payments	113,065	110,518	113,237	+ 172	+ 2,719
Total, Rural Housing Service	1,567,442	1,546,069	1,505,651	- 61,791	- 40,418

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2003 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 2004—Continued
[In thousands of dollars]

Item	2003 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2003 appropriation	Budget estimate
(Loan authorization)	(4,154,339)	(4,319,013)	(4,352,813)	(+ 198,474)	(+ 33,800)
Rural Business-Cooperative Service:					
Rural Development Loan Fund Program Account:					
(Loan authorization)	(39,740)	(40,000)	(40,000)	(+ 260)	.....
Loan subsidy	19,179	17,308	17,308	- 1,871	.....
Administrative expenses (transfer to RD)	4,163	4,850	4,283	+ 120	- 567
Total, Rural Development Loan Fund	23,342	22,158	21,591	- 1,751	- 567
Rural Economic Development Loans Program Account:					
(Loan authorization)	(14,870)	(15,002)	(15,002)	(+ 132)	.....
Direct subsidy	3,176	2,792	2,792	- 384	.....
Rural cooperative development grants	8,941	11,000	8,967	+ 26	- 2,033
Rural empowerment zones and enterprise communities grants	14,870	.....	14,370	- 500	+ 14,370
Renewable energy program .....	.....	3,000	23,000	+ 23,000	+ 20,000
Total, Rural Business-Cooperative Service	50,329	38,950	70,720	+ 20,391	+ 31,770
(Loan authorization)	(54,610)	(55,002)	(55,002)	(+ 392)	.....
Rural Utilities Service:					
Rural Electrification and Telecommunications Loans Program Account:					
Loan authorizations:					
Electric:					
Direct, 5 percent	(120,316)	(240,000)	(240,000)	(+ 119,684)	.....
Direct, Municipal rate	(99,350)	(100,000)	(1,000,000)	(+ 900,650)	(+ 900,000)
Direct, FFB	(2,599,350)	(1,500,000)	(2,000,000)	(- 599,350)	(+ 500,000)
Direct, Treasury rate	(1,150,000)	(700,000)	(750,000)	(- 400,000)	(+ 50,000)
Guaranteed electric	(100,000)	(100,000)	(100,000)	.....	.....
Guaranteed underwriting	(1,000,000)	(1,000,000)	(1,000,000)	.....	(+ 1,000,000)

Subtotal, Electric	(5,069,016)	(2,640,000)	(5,090,000)	(+ 20,984)	(+ 2,450,000)
Telecommunications:					
Direct, 5 percent	(74,542)	(145,042)	(145,000)	(+ 70,458)	(- 42)
Direct, Treasury rate	(298,050)	(250,000)	(250,000)	(- 48,050)	
Direct, FFB	(120,000)	(100,000)	(120,000)		(+ 20,000)
Subtotal, Telecommunications	(492,592)	(495,042)	(515,000)	(+ 22,408)	(+ 19,958)
Total, Loan authorizations	(5,561,608)	(3,135,042)	(5,605,000)	(+ 43,392)	(+ 2,469,958)
Loan subsidies:					
Electric:					
Direct, 5 percent	6,870			- 6,870	
Direct, Municipal rate	4,004			- 4,004	
Guaranteed electric	79	60	60	- 19	
Subtotal, Electric	10,953	60	60	- 10,893	
Telecommunications:					
Direct, 5 percent	1,275			- 1,275	
Direct, Treasury rate	149	125	125	- 24	
Subtotal, Telecommunications	1,424	125	125	- 1,299	
Total, Loan subsidies	12,377	185	185	- 12,192	
RETLP administrative expenses (transfer to RD)	37,587	41,562	37,920	+ 333	- 3,642
Total, Rural Electrification and Telecommunications Loans Program Account	49,964	41,747	38,105	- 11,859	- 3,642
(Loan authorization)	(5,561,608)	(3,135,042)	(5,605,000)	(+ 43,392)	(+ 2,469,958)
Rural Telephone Bank Program Account:					
(Loan authorization)	(173,503)		(173,503)		(+ 173,503)
Direct loan subsidy	2,394			- 2,394	
RTB administrative expenses (transfer to RD)	3,062	3,462	3,182	+ 120	- 280
Total, Rural Telephone Bank Program Account	5,456	3,462	3,182	- 2,274	- 280
High energy costs grants (by transfer)	(29,805)		(30,000)	(+ 195)	(+ 30,000)
Distance learning, telemedicine and broadband program:					
Loan authorizations:					
Distance learning and telemedicine	(300,000)	(50,000)	(300,000)		(+ 250,000)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2003 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
 FOR FISCAL YEAR 2004—Continued
 (In thousands of dollars)

Item	2003 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2003 appropriation	Budget estimate
Broadband telecommunications		(335,963)	(335,963)	(+ 335,963)	.....
Total, Loan authorizations	(300,000)	(385,963)	(635,963)	(+ 335,963)	(+ 250,000)
Loan subsidies:					
Distance learning and telemedicine: Grants	46,636	25,000	40,000	- 6,636	+ 15,000
Broadband telecommunications:					
Direct	.....	9,116	9,116	+ 9,116	.....
Grants	9,935	2,000	10,000	+ 65	+ 8,000
Total, Loan subsidies and grants	56,571	36,116	59,116	+ 2,545	+ 23,000
Total, Rural Utilities Service	111,991	81,325	100,403	- 11,588	+ 19,078
(Loan authorization)	(6,035,111)	(3,521,005)	(6,414,466)	(+ 379,355)	(+ 2,893,461)
Total, title III, Rural Economic and Community Development Programs	2,777,020	2,292,641	2,587,826	- 189,194	+ 295,185
(By transfer)	(504,181)	(532,661)	(514,838)	(+ 10,657)	(- 17,823)
(Loan authorization)	(10,244,060)	(7,895,020)	(10,822,281)	(+ 578,221)	(+ 2,927,261)
TITLE IV—DOMESTIC FOOD PROGRAMS					
Office of the Under Secretary for Food, Nutrition and Consumer Services	595	786	611	+ 16	- 175
Food and Nutrition Service:					
Child nutrition programs	5,830,506	6,718,780	6,718,780	+ 888,274	.....
Transfer from section 32	4,745,663	4,699,661	4,699,661	- 46,002	.....
Discretionary spending	3,974	.....	.....	- 3,974	.....
Total, Child nutrition programs	10,580,143	11,418,441	11,418,441	+ 838,298	.....
Special supplemental nutrition program for women, infants, and children (WIC)	4,696,000	4,769,232	4,639,232	- 56,768	- 130,000
Contingency fund	(125,000)	(25,000)	.....	( - 125,000)	(- 25,000)

Food stamp program:						
Expenses	22,772,692	24,203,176	24,203,176	+ 1,430,484		
Reserve	2,000,000	2,000,000	2,000,000			
Nutrition assistance for Puerto Rico and Samoa	1,401,000	1,402,805	1,402,805	+ 1,805		
The emergency food assistance program	140,000	140,000	140,000			
Total, Food stamp program	26,313,692	27,745,981	27,745,981	+ 1,432,289		
Commodity assistance program	163,431	166,072	145,740	- 17,691		- 20,332
Food donations programs: Needy family program	1,074			- 1,074		
Nutrition programs administration	135,672	144,849	138,304	+ 2,632		- 6,545
Total, Food and Nutrition Service	41,890,012	44,244,575	44,087,698	+ 2,197,686		- 156,877
Total, title IV, Domestic Food Programs	41,890,607	44,245,361	44,088,309	+ 2,197,702		- 157,052
TITLE V—FOREIGN ASSISTANCE AND RELATED PROGRAMS						
Foreign Agricultural Service:						
Salaries and expenses, direct appropriation	129,103	140,798	131,648	+ 2,545		- 9,150
(Transfer from export loans)	(3,203)	(3,327)	(3,306)	(+ 103)		(- 21)
(Transfer from Public Law 480)	(1,026)	(1,066)	(1,059)	(+ 33)		(- 7)
Total, Salaries and expenses program level	(133,332)	(145,191)	(136,013)	(+ 2,681)		(- 9,178)
Public Law 480 Program and Grant Accounts:						
Program account:						
Loan authorization, direct	(153,662)	(131,676)	(131,670)	(- 21,992)		(- 6)
Loan subsidies	115,416	103,887	103,887	- 11,529		
Ocean freight differential grants	24,995	28,000	28,000	+ 3,005		
Title II—Commodities for disposition abroad:						
Program level	(1,192,200)	(1,185,000)	(1,192,000)	(- 200)		(+ 7,000)
Appropriation	1,192,200	1,185,000	1,192,000	- 200		+ 7,000
Supplemental appropriations (Public Law 108-11)	369,000			- 369,000		
Salaries and expenses:						
Foreign Agricultural Service (transfer to FAS)	1,026	1,066	1,059	+ 33		- 7
Farm Service Agency (transfer to FSA)	1,019	2,975	1,075	+ 56		- 1,900
Subtotal	2,045	4,041	2,134	+ 89		- 1,907

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2003 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 2004—Continued

(In thousands of dollars)

Item	2003 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2003 appropriation	Budget estimate
Total, Public Law 480:					
Program level	(1,192,200)	(1,185,000)	(1,192,000)	(-200)	(+7,000)
Appropriation	1,703,656	1,320,928	1,326,021	-377,635	+5,093
CCC Export Loans Program Account (administrative expenses):					
Salaries and expenses (Export Loans):					
General Sales Manager (transfer to FAS)	3,203	3,327	3,306	+103	-21
Farm Service Agency (transfer to FSA)	829	985	846	+17	-139
Total, CCC Export Loans Program Account	4,032	4,312	4,152	+120	-160
McGovern-Dole international food for education and child nutrition program grants		50,000	25,000	+25,000	-25,000
Total, title V, Foreign Assistance and Related Programs	1,836,791	1,516,038	1,486,821	-349,970	-29,217
(By transfer)	(4,229)	(4,393)	(4,365)	(+136)	(-28)
TITLE VI—RELATED AGENCIES AND FOOD AND DRUG ADMINISTRATION					
DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Food and Drug Administration					
Salaries and expenses, direct appropriation	1,373,131	1,394,617	1,384,213	+11,082	-10,404
Prescription Drug User Fee Act	(222,900)	(249,825)	(249,825)	(+26,925)	
Medical Device User Fee Act	(25,125)	(29,190)	(29,190)	(+4,065)	
Subtotal	(1,621,156)	(1,673,632)	(1,663,228)	(+42,072)	(-10,404)
Mammography clinics user fee (outlay savings)	(16,112)	(16,576)	(16,576)	(+464)	
Export and color certification	(6,378)	(6,649)	(6,649)	(+271)	
Payments to GSA	(108,269)	(120,045)	(119,152)	(+10,883)	(-893)

Buildings and facilities	7,948	11,500	7,948	.....	-3,552
Total, Food and Drug Administration	1,381,079	1,406,117	1,392,161	+11,082	-13,956
INDEPENDENT AGENCIES					
Commodity Futures Trading Commission	85,426	88,435	90,435	+5,009	+2,000
Farm Credit Administration (limitation on administrative expenses)	(38,400)	(40,900)	(40,900)	(+2,500)	.....
Total, title VI, Related Agencies and Food and Drug Administration	1,466,505	1,494,552	1,482,596	+16,091	-11,956
TITLE VII—GENERAL PROVISIONS					
Hunger fellowships	2,981	.....	2,981	.....	+2,981
National Sheep Industry Improvement Center revolving fund	496	.....	499	+3	+499
Child and adult care feeding program	21,857	.....	.....	-21,857	.....
Public Law 480 Title II	248,375	.....	.....	-248,375	.....
Tree assistance (sec. 747) .....	.....	.....	.....	.....	.....
Northern Great Plains Regional Authority .....	.....	.....	3,000	+3,000	+3,000
Denali Commission .....	.....	.....	2,000	+2,000	+2,000
Total, title VII, General provisions	273,709	.....	8,480	-265,229	+8,480
Grand total:					
New budget (obligational) authority	74,724,290	77,561,060	77,403,914	+2,679,624	-157,146
Appropriations	(74,724,290)	(77,561,060)	(77,403,914)	(+2,679,624)	(-157,146)
(By transfer)	(787,619)	(831,150)	(804,144)	(+16,525)	(-27,006)
(Loan authorization)	(14,309,782)	(11,545,094)	(14,202,426)	(-107,356)	(+2,657,332)
(Limitation on administrative expenses)	(147,482)	(150,940)	(150,940)	(+3,458)	.....
RECAPITULATION					
Title I—Agricultural programs	25,458,395	26,770,842	26,776,681	+1,318,286	+5,839
Mandatory	(19,186,010)	(20,658,492)	(20,658,492)	(+1,472,482)	.....
Discretionary	(6,272,385)	(6,112,350)	(6,118,189)	(-154,196)	(+5,839)
Title II—Conservation programs (discretionary)	1,021,263	1,241,626	973,201	-48,062	-268,425
Title III—Rural economic and community development programs (discretionary)	2,777,020	2,292,641	2,587,826	-189,194	+295,185
Title IV—Domestic food programs (discretionary)	41,890,607	44,245,361	44,088,309	+2,197,702	-157,052
Mandatory	(36,888,861)	(39,164,422)	(39,164,422)	(+2,274,561)	.....
Discretionary	(5,000,746)	(5,080,939)	(4,923,887)	(-76,859)	(-157,052)
Title V—Foreign assistance and related programs (discretionary)	1,836,791	1,516,038	1,486,821	-349,970	-29,217

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2003 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 2004—Continued
[In thousands of dollars]

Item	2003 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2003 appropriation	Budget estimate
Title VI—Related agencies and Food and Drug Administration (discretionary)	1,466,505	1,494,552	1,482,596	+ 16,091	- 11,956
Title VII—General provisions (discretionary)	273,709	.....	8,480	-265,229	+ 8,480
Total, new budget (obligational) authority	74,724,290	77,561,060	77,403,914	+ 2,679,624	- 157,146

¹ In addition to appropriation.

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