105TH CONGRESS, 2d Session } HOUSE OF REPRESENTATIVES { REPORT 105–588

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

JUNE 19, 1998.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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

REPORT

together with

ADDITIONAL VIEWS

[To accompany H.R. 4101]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies for fiscal year 1999.

SUMMARY OF ESTIMATES AND RECOMMENDATIONS

	FY 1998 appropriation	FY 1999 estimates	FY 1999 recommendation	FY 1999 recommendation compared with	
				FY 1998 appropriation	FY 1999 estimates
Title I—Agricultural Programs	$6,940,775,000	$13,924,292,000	14,364,890,000	+7,424,115,000	+440,598,000
Title II—Conservation Programs	786,474,000	826,327,000	784,357,000	−2,117,000	−41,970,000
Title III—Rural Economic and Community Development Programs	2,087,222,000	2,220,118,000	2,173,781,000	+86,559,000	−46,337,000
Title IV—Domestic Food Programs	37,222,519,000	38,442,205,000	36,114,845,000	−1,107,674,000	−2,327,360,000
Title V—Foreign Assistance and Related Programs	1,605,799,000	1,365,172,000	1,424,854,000	−180,945,000	+59,682,000
Title VI—Related Agencies and FDA	990,974,000	1,036,025,000	1,030,420,000	+39,446,000	−5,605,000

SUMMARY OF ESTIMATES AND RECOMMENDATIONS—Continued

	FY 1998 appropriation	FY 1999 estimates	FY 1999 recommendation	FY 1999 recommendation compared with	
				FY 1998 appropriation	FY 1999 estimates
Title VII—Emergency Appropriations (P.L. 104–208)	159,800,000	.....	.....	−159,800,000	.....
Subtotal	49,793,563,000	57,814,139,000	55,893,147,000	+6,099,584,000	−1,920,992,000
Scorekeeping adjustments	−243,405,000	+256,217,000	+18,717,000	+262,125,000	−237,500,000
Total	49,550,155,000	58,070,356,000	55,911,864,000	+6,361,709,000	−2,158,492,000

For discretionary programs the Committee provides $13,621,112,000, which is $129,888,000 less than the amount available in fiscal year 1998 and $57,492,000 less than the budget request.

For mandatory programs, which account for over 75 percent of the bill, the Committee provides $42,543,252,000, an increase of $6,864,013,000 above the amount available for fiscal year 1998 and $2,101,500,000 below the budget request.

INTRODUCTION

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

This bill provides funding for research to strengthen our Nation's food supply, to make American exports competitive in world markets, to improve human nutrition, and to help ensure food safety. Funds in this bill make it possible for less than two percent of the population to provide a wide variety of safe, nutritious, and affordable food for nearly 270 million Americans and many more people overseas.

Food safety remains one of the Committee's highest priorities. The bill provides increases of more than $15,000,000 to the Food Safety and Inspection Service, the Food and Drug Administration, the Office of the Chief Economist, the Economic Research Service, the Food and Nutrition Service, the Agricultural Research Service and the Cooperative State Research, Education and Extension Service for food safety related activities.

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

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

To establish priorities for funding for so many diverse and critical activities is never easy and the task will be more difficult as we continue the effort to balance the budget. There are relatively

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

In setting program levels the Committee was constrained by two main factors: allocations for budget authority and outlays in comparison with fiscal year 1998 and the use of user fees by the Administration to offset approximately $800 million in new spending. Because the proposed user fees require enactment into law and extensive rule making, there will be no revenue from them for fiscal year 1999. Therefore, the Committee must provide necessary spending using appropriated funds and limitations on mandatory programs.

The Committee also believes the USDA needs to devote additional management resources to insure that its large and diverse computer operations are compliant with Year 2000 requirements.

Clause 2(l)(4) of rule XI of the Rules of the House of Representatives states that:

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

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

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

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

TITLE I—AGRICULTURAL PROGRAMS

PRODUCTION, PROCESSING, AND MARKETING

OFFICE OF THE SECRETARY

1998 appropriation	[1] $3,379,000
1999 budget estimate	2,941,000
Provided in the bill	2,941,000
Comparison:	
1998 appropriation	−438,000
1999 budget estimate	

[1] Includes $543,000 provided in P.L. 105–174 supplemental appropriations.

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

The general authority of the Secretary to supervise and control the work of the Department is contained in the Organic Act of 1944 (7 U.S.C. 2201–2202). The delegation of regulatory functions to Department employees and authorization of appropriations to carry out these functions is contained in 7 U.S.C. 450c–450g.

COMMITTEE PROVISIONS

For the Office of the Secretary, the Committee provides an appropriation of $2,941,000, a decrease of $438,000 below the amount available for fiscal year 1998 and the same as the budget request.

The Committee expects the Department to continue to close out the backlog of civil rights claims against the Department within FY 1999. The Committee further directs the Secretary to report on the Department's progress in this area at six month intervals.

The Secretary shall report to the Appropriations Committee of the House and the Appropriations Committee of the Senate biannually during fiscal year 1999 as to whether the prices of raw cane and beet sugar are sufficient to prevent forfeitures and that the stock/use ratio is sufficient to ensure stable and adequate supplies to consumers and refiners, with consideration of its impact on growers, producers, processors, and users.

The Committee is aware of the Secretary's difficulty in complying with the April, 1999 enactment date for Federal milk marketing orders. Accordingly, the Committee has included a general provision that grants an extension of the date of enactment.

The Committee has included a general provision which limits expenses related to advisory committees, panels, task forces, and commissions to not more than $1,400,000. This provision is intended to cover the activities of all advisory committees, panels, task forces, and commissions including any FACA related activities. The only exceptions are for panels used to comply with negotiated rulemakings and panels used to evaluate competitively awarded grants. The Committee expects the Department to participate in the National Drought Policy Commission.

The Committee is aware of the concerns that have arisen regarding the manner in which the Food Quality Protection Act (FQPA) has been implemented. The Committee concurs with the direction set forth in Vice President Gore's memorandum of April 8, 1998, to the Secretary of Agriculture and to the Administrator of the Environmental Protection Agency setting forth clear principles to guide implementation of the FQPA. The Committee believes that it is essential that the Department of Agriculture fully carry out its responsibilities under this memorandum. The intent of this directive is to ensure that FQPA decisions are based on sound science, and reliable, accurate data that reflect the conditions, practices and complexities of the nation's agricultural production where practicable while taking into consideration new public health and children's health provisions.

The Secretary is directed to report within 90 days of the enactment of this Act regarding departmental actions taken to comply with and carry out the directives set forth in the April 8, 1998 memorandum and the Committee's directives set forth above.

In fiscal year 1997, the Committee included language designed to limit the personnel detailed to sub-Cabinet offices. It had come to the Committee's attention that, while each office had requested and received a specific appropriation, in fact, many more personnel and funds were being used to support sub-Cabinet offices. Each Under or Assistant Secretary office should justify its expenditures and staffing on the same basis as agencies must. It is apparent that

Under and Assistant Secretary offices continue to violate the spirit of the individual appropriations for these offices. Financial shell games have been devised to deflect salaries of agency personnel for the continuation of the same function detailees have been performing. The Committee includes language again this year which prohibits details for more than 30 days. The Committee has also appropriately reduced the fiscal year 1999 appropriations for those agencies contributing funding for the purposes of supporting Under and Assistant Secretary offices.

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

EXECUTIVE OPERATIONS

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

OFFICE OF THE CHIEF ECONOMIST

1998 appropriation	$5,048,000
1999 budget estimate	5,823,000
Provided in the bill	5,973,000
Comparison:	
1998 appropriation	+925,000
1999 budget estimate	+150,000

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

COMMITTEE PROVISIONS

For the Office of the Chief Economist, the Committee provides an appropriation of $5,973,000, an increase of $925,000 above the amount available for fiscal year 1998 and an increase of $150,000 above the budget request.

The effects of El Niño and other weather-related patterns dramatically affect the outcome of all agricultural activity. Long term modeling and forecasting efforts in the area of climate change can provide valuable information that impact producers and consumers alike. The Committee has provided $150,000 to work with the International Research Institute for Climate Prediction to use existing expertise in forecasting and predictive modeling.

COMMISSION ON 21ST CENTURY PRODUCTION AGRICULTURE

1998 appropriation	.....
1999 budget estimate	$350,000
Provided in the bill	.....
Comparison:	
1998 appropriation	.....
1999 budget estimate	−350,000

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

COMMITTEE PROVISIONS

The Committee does not concur with the budget request for a separate appropriation for the Commission on 21st Century Production Agriculture. The Committee has included a general provision which limits the total amount spent on all advisory committees, task forces, panels, and commissions of the Department to not more than $1,400,000. The Committee does not specify how this funding should be spent, but rather, allows the Secretary to prioritize and decide which ones to fund and at what funding levels.

NATIONAL APPEALS DIVISION

1998 appropriation	$11,718,000
1999 budget estimate	13,297,000
Provided in the bill	12,204,000
Comparison:	
1998 appropriation	+486,000
1999 budget estimate	−1,093,000

The National Appeals Division conducts administrative hearings and reviews adverse program decisions made by the Farm Service Agency, the Risk Management Agency, the Natural Resources Conservation Service, the Rural Business-Cooperative Service, the Rural Housing Service, and the Rural Utilities Service.

COMMITTEE PROVISIONS

For the National Appeals Division, the Committee provides an appropriation of $12,204,000, an increase of $486,000 above the amount available for fiscal year 1998 and a decrease of $1,093,000 below the budget request.

OFFICE OF BUDGET AND PROGRAM ANALYSIS

1998 appropriation	$5,986,000
1999 budget estimate	6,045,000
Provided in the bill	6,120,000
Comparison:	
1998 appropriation	+134,000
1999 budget estimate	+75,000

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

related implications; analyzes program and resource issues and alternatives, and prepares summaries of pertinent data to aid the Secretary and departmental policy officials and agency program managers in the decision-making process; and provides department-wide coordination for and participation in the presentation of budget related matters to the Committees of the Congress, the media, and interested public. The Office also provides department-wide coordination of the preparation and processing of regulations and legislative programs and reports.

COMMITTEE PROVISIONS

For the Office of Budget and Program Analysis, the Committee provides an appropriation of $6,120,000, an increase of $134,000 above the amount available for fiscal year 1998 and an increase of $75,000 above the budget request.

OFFICE OF THE CHIEF INFORMATION OFFICER

1998 appropriation	$4,773,000
1999 budget estimate	7,222,000
Provided in the bill	5,551,000
Comparison:	
1998 appropriation	+778,000
1999 budget estimate	−1,671,000

The Clinger-Cohen Act of 1996 required the establishment of a Chief Information Officer for major Federal agencies. Pursuant to this Act, the Office of the Chief Information Officer was established in August 1996, to provide policy guidance, leadership, coordination, and direction to the Department's information management and information technology investment activities in support of USDA program delivery. The Office provides long-range planning guidance, implements measures to ensure that technology investments are economical and effective, coordinates interagency Information Resources Management projects, and implements standards to promote information exchange and technical interoperability. The Office also provides telecommunications and ADP services to USDA agencies through the National Information Technology Center with locations in Ft. Collins, Colorado and Kansas City, Missouri. Direct ADP operational services are also provided to the Office of the Secretary, Office of the General Counsel, Office of Communications, the Office of the Chief Financial Officer and Executive Operations.

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

COMMITTEE PROVISIONS

For the Office of the Chief Information Officer, the Committee provides an appropriation of $5,551,000, an increase of $778,000 above the amount available for fiscal year 1998 and a decrease of $1,671,000 below the budget request.

OFFICE OF THE CHIEF FINANCIAL OFFICER

1998 appropriation	$4,283,000
1999 budget estimate	4,562,000
Provided in the bill	4,283,000
Comparison:	
1998 appropriation	.....
1999 budget estimate	−279,000

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

COMMITTEE PROVISIONS

For the Office of the Chief Financial Officer, the Committee provides an appropriation of $4,283,000, the same as the amount available for fiscal year 1998 and a decrease of $279,000 below the budget request.

The Committee has repeated bill language that directs the Chief Financial Officer to continue to market actively the cross-servicing activities of the National Finance Center.

The Committee has carried an annual provision regarding the Working Capital Fund to allow the National Finance Center (NFC) of the Department of Agriculture to accumulate growth capital for data services and other improvements. However, it is the Committee's understanding that USDA has only used this provision to ensure that deficits do not occur in the Working Capital Fund. The Committee is aware of the urgent need to modernize and improve existing hardware and software systems as well as other capital requirements at the NFC. The Committee directs that USDA to report back to the Committee on a plan to allow the NFC, due to efficiencies, cost savings, or other mechanisms, to use revenues or retained earnings of the Working Capital Fund for capital improvements.

OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION

1998 appropriation	$613,000
1999 budget estimate	636,000
Provided in the bill	636,000
Comparison:	
1998 appropriation	+23,000
1999 budget estimate	.....

The Office of the Assistant Secretary for Administration directs and coordinates the work of the departmental staff in carrying out

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

COMMITTEE PROVISIONS

For the Office of the Assistant Secretary for Administration, the Committee provides an appropriation of $636,000, an increase of $23,000 above the amount available for fiscal year 1998 and the same as the budget request.

AGRICULTURE BUILDINGS AND FACILITIES AND RENTAL PAYMENTS

1998 appropriation	$131,085,000
1999 budget estimate	155,689,000
Provided in the bill	155,689,000
Comparison:	
1998 appropriation	+24,604,000
1999 budget estimate	.....

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

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

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

Strategic Space Plan.—The Department's headquarters staff is presently housed in a four-building government-owned complex in downtown Washington, D.C. and in leased buildings in the metropolitan Washington area. In 1995, USDA initiated a plan to improve the delivery of USDA programs to the American people, including streamlining the USDA organization. A high priority goal

in the Secretary's plan is to improve the operation and effectiveness of the USDA headquarters in Washington. To implement this goal, a strategy for efficient re-allocation of space to house the 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 huge Agriculture South Building.

COMMITTEE PROVISIONS

For Agriculture Buildings and Facilities and Rental Payments to GSA, the Committee provides an appropriation of $155,689,000, an increase of $24,604,000 above the amount available for fiscal year 1998 and the same as the budget request.

Included in this amount is $108,057,000 for rental payments to GSA. The Committee includes language permitting the Secretary of Agriculture to transfer not more than five percent of this appropriation to or from another agency's appropriation. The Committee expects that such a transfer will be proposed only when a move into GSA space is vacated in favor of commercial space. This flexibility is provided to allow for incremental changes in the amount of GSA space and is not intended merely to finance changes in GSA billing.

HAZARDOUS WASTE MANAGEMENT

1998 appropriation	$15,700,000
1999 budget estimate	15,700,000
Provided in the bill	15,700,000
Comparison:	
1998 appropriation	.....
1999 budget estimate	.....

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

COMMITTEE PROVISIONS

For Hazardous Waste Management, the Committee provides an appropriation of $15,700,000, the same as the amount available for fiscal year 1998 and the same as the budget request.

DEPARTMENTAL ADMINISTRATION

1998 appropriation	$29,231,000
1999 budget estimate	32,168,000
Provided in the bill	32,168,000
Comparison:	
1998 appropriation	+2,937,000
1999 budget estimate	.....

Departmental Administration is comprised of activities that provide staff support to top policy officials and overall direction and coordination of the Department. These activities include depart-

ment-wide programs for human resource management, management improvement, occupational safety and health management, real and personal property management, procurement, contracting, motor vehicle and aircraft management, supply management, civil rights and equal opportunity, participation of small and disadvantaged businesses and socially disadvantaged farmers and ranchers in the Department's program activities, emergency preparedness, and the regulatory hearing and administrative proceedings conducted by the Administrative Law Judges, Judicial Officer, and Board of Contract Appeals.

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

COMMITTEE PROVISIONS

For Departmental Administration, the Committee provides an appropriation of $32,168,000, an increase of $2,937,000 above the amount available for fiscal year 1998 and the same as the budget request.

OUTREACH FOR SOCIALLY DISADVANTAGED FARMERS AND RANCHERS

1998 appropriation	$3,000,000
1999 budget estimate	10,000,000
Provided in the bill	3,000,000
Comparison:	
1998 appropriation	.....
1999 budget estimate	−7,000,000

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

COMMITTEE PROVISIONS

For the Outreach for Socially Disadvantaged Farmers and Ranchers Program, the Committee provides an appropriation of $3,000,000, the same as the amount available for fiscal year 1998 and a decrease of $7,000,000 below the budget request.

Office of the Assistant Secretary for Congressional Relations

1998 appropriation	$3,668,000
1999 budget estimate	3,814,000
Provided in the bill	3,668,000
Comparison:	
1998 appropriation	.....
1999 budget estimate	−146,000

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

COMMITTEE PROVISIONS

For the Office of the Assistant Secretary for Congressional Relations, the Committee provides an appropriation of $3,668,000, the same as the amount available for fiscal year 1998 and a decrease of $146,000 below the budget request. The Committee includes language allowing the transfer of not less than $2,241,000 to agencies funded in this Act to maintain personnel at the agency level. The following table reflects the amounts provided by the Committee:

CONGRESSIONAL RELATIONS

[In thousands of dollars]

	FY 1998 enacted	FY 1999 estimate	Committee provisions
Headquarters Activities	$957	$994	957
Intergovernmental Affairs	470	488	470
Agricultural Marketing Service	176	183	176
Agricultural Research Service	129	135	129
Animal and Plant Health Inspection Service	101	106	101
Cooperative State Research, Education, and Extension Service	120	126	120
Farm Service Agency	355	369	355
Food and Nutrition Service	270	280	270
Food Safety and Inspection Service	309	321	309
Foreign Agricultural Service	183	191	183
Natural Resources Conservation Service	148	154	148
Rural Business-Cooperative Service	52	54	52
Rural Housing Service	147	153	147
Rural Utilities Service	142	147	142
Risk Management Agency	109	113	109
Total	3,668	3,814	3,668

Office of Communications

1998 appropriation	$8,138,000
1999 budget estimate	8,319,000
Provided in the bill	8,138,000
Comparison:	
1998 appropriation	.....
1999 budget estimate	−181,000

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 asso-

ciations and organizations representing America's food, fiber, and environmental interests.

COMMITTEE PROVISIONS

For the Office of Communications, the Committee provides an appropriation of $8,138,000, the same as the amount available for fiscal year 1998 and a decrease of $181,000 below the budget request.

OFFICE OF THE INSPECTOR GENERAL

1998 appropriation	$63,128,000
1999 budget estimate	87,689,000
Provided in the bill	67,178,000
Comparison:	
1998 appropriation	+4,050,000
1999 budget estimate	−20,511,000

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

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

COMMITTEE PROVISIONS

For the Office of the Inspector General, the Committee provides an appropriation of $67,178,000, an increase of $4,050,000 above the amount available for fiscal year 1998 and a decrease of $20,511,000 below the budget request. Of the funding provided, $2,085,000 is for pay and related retirement costs.

The Committee expects the Inspector General to report on efforts to reduce waste, fraud and abuse in the multi-family rural housing program by April 1, 1999.

The Committee supports the Inspector General's law enforcement and investigations, audits, and other related oversight work of USDA's agencies and programs. Included in the fiscal year 1999 appropriation is an increase of $1,965,000 for these activities.

The Committee is aware that the USDA, the Department of Treasury, and the Department of Justice have reached agreement on the allocation of funds received through forfeiture proceedings. The Committee believes that funds received as a result of this agreement should allow the Inspector General's Office to pursue law enforcement initiatives and other related activities.

The Committee strongly supports the Department's Operation Talon program to locate and apprehend fugitives who are illegally receiving food stamps. This initiative has already led to the arrest of nearly 2,500 dangerous fugitives, including many individuals being sought for murder, rape, assault, and other violent crimes. The Committee urges the Department to expand its commitment to Operation Talon and to enlist the assistance of state social service agencies in this effort.

OFFICE OF THE GENERAL COUNSEL

1998 appropriation	$28,759,000
1999 budget estimate	30,446,000
Provided in the bill	30,396,000
Comparison:	
1998 appropriation	+1,637,000
1999 budget estimate	−50,000

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

COMMITTEE PROVISIONS

For the Office of the General Counsel, the Committee provides an appropriation of $30,396,000, an increase of $1,637,000 above the amount available for fiscal year 1998 and a decrease of $50,000 below the budget request. The Committee has included an increase of $670,000 to provide legal support for the Department's Civil Rights program.

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

1998 appropriation	$540,000
1999 budget estimate	560,000
Provided in the bill	560,000
Comparison:	
1998 appropriation	+20,000
1999 budget estimate	.....

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 PROVISIONS

For the Office of the Under Secretary for Research, Education, and Economics, the Committee provides an appropriation of $560,000, an increase of $20,000 above the amount available for fiscal year 1998 and the same as the budget request.

ECONOMIC RESEARCH SERVICE

1998 appropriation	$71,604,000
1999 budget estimate	55,839,000
Provided in the bill	67,282,000
Comparison:	
1998 appropriation	−4,322,000
1999 budget estimate	+11,443,000

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

COMMITTEE PROVISIONS

For the Economic Research Service, the Committee provides an appropriation of $67,282,000, a decrease of $4,322,000 below the amount available for fiscal year 1998 and an increase of $11,443,000 above the budget request. The increase provided consolidates all studies and evaluations work of the food stamp, child nutrition, and WIC programs into one account. This work is to be carried out within the Food and Consumer Economics Division of the ERS which conducts research and analysis of food programs and food policy issues. The Committee expects ERS to consult and work with the staff at the Food and Nutrition Service as well as other agencies to assure that all studies and evaluations are meeting the needs of the Department.

As part of the nutrition related studies, the Committee expects the Department to conduct a study to assess cost containment practices used by states to limit branded products sold in the WIC food package other than infant formula. The study should consider cost containment impacts on: (1) program participation; (2) availability at the retail level of foods prescribed; (3) voucher redemption rates and participants actual food selections; (4) participants on special diets or with specific food allergies; (5) participants use of and satisfaction with food prescribed; and (6) achievement of positive health outcomes. The Committee expects the ERS to report to the Committee on Appropriations on this issue no later than September 30, 1999.

The Committee has become aware that plate waste is a problem in the School Lunch Program. The Committee encourages the ERS

to work with the Food and Nutrition Service to conduct a study on plate waste in the School Lunch Program and to develop recommendations for eliminating this problem.

The Committee has included an increase of $704,000 so that the ERS may conduct an analysis of the needs of small farmers and other casualties of an industrializing agriculture sector, an electric utility deregulation analysis, and an analysis on estimating the benefits of food safety.

The Committee expects the agency to study the economic impacts of the termination of the Wool Act to the sheep and goat industry and to rural economies in the primary production areas. The results of the study should be reported to the appropriate Committees of Congress by February 15, 1999.

NATIONAL AGRICULTURAL STATISTICS SERVICE

1998 appropriation	$118,048,000
1999 budget estimate	107,190,000
Provided in the bill	105,082,000
Comparison:	
1998 appropriation	−12,966,000
1999 budget estimate	−2,108,000

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

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

COMMITTEE PROVISIONS

For the National Agricultural Statistics Service, the Committee provides an appropriation of $105,082,000, a decrease of $12,966,000 below the amount available for fiscal year 1998 and a decrease of $2,108,000 below the budget request. Included in this amount is $23,141,000 for the Census of Agriculture. The Census of Agriculture collects and provides comprehensive data every five years on all aspects of the agricultural economy. For fiscal year 1999, data collection costs are significantly reduced since data collection occurred primarily in fiscal year 1998.

AGRICULTURAL RESEARCH SERVICE

1998 appropriation	$744,382,000
1999 budget estimate	776,828,000
Provided in the bill	755,816,000
Comparison:	
1998 appropriation	+11,434,000
1999 budget estimate	−21,012,000

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

ARS also directs research beneficial to the United States which can be advantageously conducted in foreign countries through agreements with foreign research institutions and universities, using foreign currencies for such purposes. This program is carried out under the authority of sections 104(b) (1) and (3) of Public Law 480, and the Agricultural Trade Development and Assistance Act of 1954, as amended.

COMMITTEE PROVISIONS

Salaries and expenses.—For salaries and expenses of the Agricultural Research Service, the Committee provides an appropriation of $755,816,000, an increase of $11,434,000 above the amount available for fiscal year 1998 and a decrease of $21,012,000 below the budget request.

Alternative fish feed, Aberdeen, ID.—Idaho is a national leader in the aquaculture industry producing more than 70 percent of the nation's commercially grown rainbow trout. The Committee provides an increase of $250,000 to initiate an alternative grain-based fish feed project at the ARS facility in Aberdeen, ID. Idaho is in a unique position to coordinate needed research to develop solutions to challenges facing the aquaculture industry.

Areawide pest management.—The Committee provides an increase of $2,000,000 for fiscal year 1999 as requested in the budget for research to develop compounds to replace hazardous chemicals and to expand IPM and areawide pest management practices. New technologies are critical to assist the Department in implementing its target of instituting IPM practices on 75 percent of the nation's cropland and to meet requirements resulting from the Food Quality Protection Act (FQPA). No funds are appropriated in this bill to fund an Office of Pest Management as proposed in the fiscal year 1999 budget.

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

ministrative streamlining reductions concurred in by the Committee.

Biological control of western weeds.—Over 30 million acres in western states are currently infested with noxious weeds which continue to spread at an alarming rate. Yellow Starthistle, Medusa Head and other weeds stifle the ability of millions of acres to produce crops, forage for livestock and wildlife, and habitat for wildlife. These weeds are also invading our most environmentally sensitive parks and natural resource acres in the west. The Committee provides an increase of $300,000 to the Western Regional Research Center for biological control resources on noxious weeds.

Citrus tresteza virus research.—The Committee recognizes the importance of Citrus Tresteza Virus (CTV) research. The fiscal year 1998 appropriations bill provided an increase of $750,000 for cooperative CTV research. However, the Committee believes the most effective use of these funds is through the Special Research Grants account administered by CSREES. Funding in the amount of $500,000 is transferred to that account in fiscal year 1999 for CTV research. The balance is to remain in support of the in-house Orlando-Ft. Pierce citrus research program.

Closures of facilities.—The Committee has reviewed and again disagrees with the President's recommendation to close research laboratories at Prosser, WA; Mandan, ND; Orono, ME; and Brawley, CA. The Committee believes that these locations are essential components of the Department's agricultural research program.

Continuing programs.—The Committee has reviewed the 92 projects recommended for elimination in FY 1999, some of which were retained by the Committee last year. The Committee recognizes the importance of these ongoing research projects in addressing increasing problems faced by the Nation's food and fiber producers. In this regard, the Committee directs the Agricultural Research Service to continue to fund the following areas of research in fiscal year 1999: organics management research; shallow groundwater management systems for arid irrigated areas; rice research; floriculture; genetic characterization of soybean germplasm; development of soybean germplasm and production systems for high yield and drought prone environments; germplasm evaluation and genetic improvement of oats and wild rice; improving sugarcane productivity by conventional and molecular approaches to genetic development; disease and insect control mechanisms for the enhancement of sugar germplasm resistance; development and use of molecular techniques in oat enhancement; soybean diseases; genetically enhanced wheat for quality, productivity, and resistance to biotic and abiotic stresses; control of foliar diseases and smuts of wheat; Northwest nursery crops research; biological control of yellow starthistle and other non-indigenous plant pests in the Western U.S.; honeybee research; in-vitro creation and commercialization of high solids tomatos and high solids, low sugar potatoes; biology and control of virus diseases of sorghum; grain legume research; biochemical and molecular regulation of preharvest sprouting and grain dormancy in wheat; germplasm enhancement and cultivar development of blackberry, strawberry, blueberry, and raspberry; sensors and systems for site-specific crop management to improve environmental quality; small grains research; sugarcane

biotechnology research; plant genetics equipment; developing integrated weed management systems for efficient and sustainable sugarcane production; evaluation of temperate legumes and warm-season grass mixtures in sustainable production systems; enhancement of strawberry, blueberry, and other small fruit crops through molecular approaches and breeding; reduced herbicide inputs for effective weed management systems to improve water quality; hops research; Formosan termite; management of termites as urban pests in the American Pacific; lyme disease (tick management project); reproductive efficiency of beef cattle; Poult Enteritis Mortality Syndrome; ecologically-based technologies for controlling ixodes scapularis and reducing lyme disease; fish disease research; poisonous plant research; postharvest handling and mechanization to minimize damage to fruits; enhanced use of plant proteins: identifying, isolating, and relating structures to properties; improving quality of fresh and fresh-cut produce by preventing deterioration in cold storage; flavor optimization of major food crops through control of metabolic processes; exploratory thermal chemical conversions of starch to enhance derivatization; genetic engineering of anaerobic bacteria for improved rumen function; novel biopolymers based on agricultural sources; new bacterial polysacchraides for food and industry; modification of vegetable oils as raw materials for industrial uses; comparative textural analysis of fresh and fresh-cut fruits and vegetables; factors responsible for control of the textural properties of processed sweet potato products; improved peanut quality and bioactive nutrient composition with genetic resources; food fermentation research; cotton ginning; and crop/animal systems to improve nutrient management and sustainability of dairy farms.

Emerging infectious animal and plant diseases.—The Committee is keenly aware of the potential threats posed to agriculture and animal and human health from emerging plant and animal diseases. The Committee provides an increase of $1,500,000 to combat new and emerging noxious weeds, biological control of weedy plants that severely threaten biodiversity and ecosystem functions, and emerging plant diseases that include potato blight, sorghum ergot, etc. This research is directed to ARS research centers at: Beltsville, MD; Frederick, MD; College Station; TX; Weslaco, TX; Albany, CA; and Montpellier, FR.

In addition, the Committee provides an increase of $250,000 for rangeland research at the ARS Reno, NV research station to emphasize the reestablishment of desirable native grass and forage species.

The Committee is particularly sensitive to the need to accelerate research to protect U.S. livestock and human health against emerging infectious and zoonotic diseases such as tuberculosis, brucellosis, toxoplasmosis, trichinosis, salmonella, etc. Additional funding in the amount of $3,400,000 is provided to combat these diseases as well as develop critical diagnostic tests and basic information for Scrapie, BSE, Johne's disease, porcine reproductive and respiratory syndrome, avian influenza, and various other disease agents of livestock. These funds are to expand the ongoing research carried out at existing ARS laboratories located at: Pullman, WA; Laramie,

WY; Athens, GA; Beltsville, MD; and the National Animal Disease Center, Ames, IA.

Endophyte research.—There are over 35 million acres of endophyte infected tall fescue pastures in the U.S. responsible for annual losses to the beef cattle industry. The Committee provides an increase of $200,000 for expanded cooperative research with the University of Arkansas, University of Missouri, and Oregon State University.

Everglades preservation.—The Committee recognizes the importance of the research being carried out to restore the South Florida ecosystem and provides an increase of $750,000 as requested in the President's budget. These funds are to be implemented at the Canal Point, Miami and Ft. Lauderdale laboratories to accelerate efforts to resolve the ecological, hydrological, and agricultural constraints on sustainable production in South Florida.

Fish diseases research.—The Committee provides an increase of $350,000 in fiscal year 1999 for expanded agriculture research at the ARS Auburn, AL research laboratory focusing on development of successful disease prevention methods and vaccines to thwart warm water fish diseases.

Floriculture and nursery crop research.—The Committee notes that floriculture and nursery crops represent more than 10 percent of the total U.S. farm crop cash receipts. The Committee provides an increase of $1,000,000 to implement this research. Of the additional funding, $200,000 is provided for research at Ohio State University to support the Ornamental Plant Germplasm Center and $200,000 is directed to the floral and nursery plants research program at the U.S. National Arboretum. A portion of this funding should be allocated to university partners, including California University and Cornell University, through cooperative agreements.

Food safety.—The Committee is currently providing significant funding in support of the department's food safety programs. In fiscal year 1998 the Congress appropriated a total of $66,262,000 to USDA for the President's food safety initiative. ARS funding for food safety research is currently $54,849,000, which is an increase of $4,000,000 over the fiscal year 1997 level. The Committee understands the importance of this research and the need to assure the American people that they have a safe and healthy food supply. Within the limited budget allocations available for fiscal year 1999, the Committee provides an additional $3,750,000 for pre- and post-harvest food safety research. The Committee directs the Agency to implement the additional pre-harvest resources to those areas emphasized in the budget at Clay Center, NE; Ames, IA; Athens, GA; Beltsville, MD; College Station, TX; and West Lafayette, IN totaling $1,500,000. The Committee also includes $1,000,000 for expanded research to maintain the safety and quality of fresh fruits and vegetables as requested in the President's budget. The Committee provides an additional $1,250,000 for the most essential post-harvest food safety research as identified in the fiscal year 1999 request.

The fiscal year 1998 Appropriations Act provided $420,000 for a food safety study to be conducted by the National Academy of

Sciences. These funds are deleted in the fiscal year 1999 appropriations bill.

Ft. Pierce, FL.—The Committee recognizes the important research currently being conducted at the Orlando, FL citrus research laboratory and notes its consolidation in the new replacement laboratory at Ft. Pierce in fiscal year 1999. The new laboratory will carry out a more diverse horticultural sciences program. The Committee provides an increase of $500,000 to support additional research scientists under this expanded program.

Formosan Termite Control.—The Committee has provided $5,000,000, the same amount as in fiscal year 1998, for the ongoing formosan termite control and research program at the Southern Regional Research Center.

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

Genetic resources.—The Committee concurs that there is need to invest in new biotechnological approaches of genomics which promise to unlock secrets controlling agriculturally important traits of plant and animal germplasm. The Committee provides an increase of $2,100,000 over the fiscal year 1998 level to support funding of the department's Food Genome Initiative. The Committee is supportive of this initiative and directs the Department to provide status reports detailing program and funding efforts in this research.

Grape rootstock.—Grapes are now the highest value fruit crop in the nation and sixth largest crop overall. Most of the crop is processed to raisins, grape juice, and wine, thereby adding enormous value to the crop. The Committee provides an increase of $300,000 for research at Geneva, NY for vitally needed research on rootstock development.

Honey bee.—Varroa mites and trachea mites are having devastating effects on wild honeybee populations. Without proper control of these pests U.S. agriculture will suffer dramatic losses to production. Accordingly, the Committee provides $300,000 at the ARS lab in Baton Rouge, LA for the development of long term, genetics-based solutions.

Human nutrition research.—The Committee recognizes the ongoing efforts of the ARS Human Nutrition Centers and provides an additional $2,500,000 for fiscal year 1999. These resources will further research investigations on dietary intake, and reduced risk of chronic diseases. The increase is directed to the Centers located at Beltsville, MD; Boston, MA; Houston, TX; San Francisco, CA; Little Rock, AR; and Grand Forks, ND.

Lettuce geneticist/breeder, Salinas, CA.—The Committee provides an increase of $250,000 for a new geneticist plant breeder at the ARS research station at Salinas, CA. This increase will

strengthen the current research effort on development of new lettuce varieties and improved product quality.

Lyme disease.—The Committee provides an increase of $200,000 for continued support of the 5 year Northeast Area-Wide Tick Control Project to achieve a dramatic reduction of Lyme Ticks thereby reducing Lyme disease risks to humans.

Meadowfoam research.—The Committee supports the important utilization research conducted at the Peoria, IL Center and the work it is doing on meadowfoam. An increase of $200,000 over the fiscal year 1998 level is provided to expand research on this important new crop at NCAUR.

Methyl Bromide.—The Committee is aware of the important research carried out by ARS to develop alternatives to methyl bromide which is effectively utilized as a soil farming agent and pest control for stored commodities. The Committee provides $14,571,000 for methyl bromide research, the same as the fiscal year 1998 funding level.

National Agricultural Library.—The Committee provides an increase of $300,000 for the purchase of periodicals, improved electronic retrieval capacity, enhanced preservation effort, and to expand agriculture network information centers.

Peanut research.—The Committee notes that peanuts represent an essential agricultural industry to the rural Southeast. Peanuts are a major commodity in the U.S. and International markets. The peanut industry is concerned about the need for new and effective technologies to use in place of existing marketing methodologies for peanuts from the producer to the consumer. The Committee provides an increase of $500,000 in fiscal year 1999 to support this research program to be carried out at ARS research laboratories in Dawson, GA and Raleigh, NC.

Pfiesteria research.—The Committee recognizes the need for additional research on the relationship between agricultural practices and Pfiesteria in the Chesapeake Bay and its tributaries. While it has not been clearly established that agricultural nutrient sources are responsible for the recent outbreaks of Pfiesteria, there is a scientific consensus that agricultural-based nutrients can be a contributing factor. In this regard, the Committee provides $1,500,000 over the fiscal year 1998 level to investigate this matter and to make periodic reports to the Committee on the research findings.

Phytoestrogens research.—The Committee has provided $450,000, the same amount as in fiscal year 1998, for the Southern Regional Research Center for a broad based research program to investigate the mechanisms of production and action of phytoestrogens.

Range research.—The Committee is cognizant of the important work carried out at the ARS rangeland research station at Burns, OR. Additional staffing is required to meet research needs in support of action agencies, farmers and ranchers in the Great Basin rangeland area—primarily Oregon, Washington, Idaho and Nevada. The Committee provides an increase of $250,000 for this research in fiscal year 1999.

Rice research.—The Committee continues to emphasize the need for rice research and provides an increase of $200,000 to enhance rice quality research at the ARS Rice Research Laboratory, Beau-

mont, TX and $250,000 for rice germplasm and genetics research at the Davis, CA laboratory.

Root diseases in wheat and barley.—An increase of $250,000 is provided to the ARS Root Disease and Biological Control Laboratory, Pullman, WA for investigation of root diseases. Major research breakthroughs are needed in root disease management to achieve high yields possible under conservation tillage systems.

Small fruits research.—The Committee provides an increase of $250,000 to the Northwest Center for Small Fruits Research, Corvallis, OR. The Center conducts and coordinates research efforts unique to small fruit industries in the Pacific Northwest, including breeding, insect, disease management, product development, and market analyses.

Soil tilth research.—Additional research staffing to carry out effective soil and water investigations at the ARS National Soil Tilth Laboratory, Ames, IA is prudent. The Committee provides an addition of $500,000 over the fiscal year 1998 level to support this research.

Subtropical Animal Research Station.—The Committee provides an increase of $500,000 above the fiscal year 1998 funding level for essential staffing of subtropical animal production and germplasm research at the STARS research station at Brooksville, FL.

Subtropical Horticulture Research Station, Miami, FL.—The Committee provides an increase of $300,000 for additional staffing at the ARS Miami research station. Expansion of research efforts is needed to address emerging pest problems from the Caribbean basin areas; development of tropical tree fruit as a high value crop; and support the restoration of the Everglades ecosystem.

Sugarbeet research.—The Committee is aware of the need for additional funding to adequately support the ARS sugarbeet research program at Ft. Collins, CO. An increase of $200,000 is provided to strengthen sugarbeet research at the ARS laboratory in fiscal year 1999.

Survey of food intakes of infants and children.—The Committee provided $5,000,000 in fiscal year 1998 to respond to the requirements of the Food Quality and Protection Act. The survey will enable the Secretary to provide the Environmental Protection Agency with essential information on food consumption patterns of infants and children. This data will also be useful to other agencies that address similar or related issues. These funds will not be required in fiscal year 1999 and are deleted from the fiscal year 1999 bill.

U.S. Plant Stress and Water Conservation Laboratory.—The Committee provides an increase of $500,000 in fiscal year 1999 for additional staffing to perform research on molecular biology to improve agronomic crop tolerance to water and other environmental stress factors in the High Plains region.

Vegetable research.—ARS carries out important research on cucumbers, carrots, onions, cabbage, garlic and other vegetables essential to the American diet. The Committee provides an increase of $200,000 to strengthen this research at the Vegetable Harvesting Laboratory, East Lansing, MI; Vegetable Crops Research Laboratory, Madison, WI; U.S. Vegetable Laboratory, Charleston, SC; and the Food Fermentation Laboratory, Raleigh, NC.

Wild rice research.—The Committee provides an increase of $100,000 in fiscal year 1999 to strengthen program support for wild rice research including germplasm preservation, seed storage, disease resistance, and plant productivity. This program is directed from the ARS St. Paul, MN research laboratory.

BUILDINGS AND FACILITIES

1998 appropriation	$80,630,000
1999 budget estimate	35,900,000
Provided in the bill	61,380,000
Comparison:	
1998 appropriation	−19,250,000
1999 budget estimate	+25,480,000

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

COMMITTEE PROVISIONS

For Agricultural Research Service, Buildings and Facilities, the Committee provides an appropriation of $61,380,000, a decrease of $19,250,000 below the amount available for fiscal year 1998 and an increase of $25,480,000 above the budget request.

The following table summarizes the Committee's provisions:

AGRICULTURAL RESEARCH SERVICE

[In thousands of dollars]

	FY 1999 estimate	Committee provisions
BUILDINGS AND FACILITIES		
Arizona:		
Water Conservation & Western Cotton, Maricopa	.....	$1,750
California:		
Western Human Nutrition Lab, Davis	.....	12,300
Florida:		
Melaleuca Research and Quarantine Facility, Ft. Lauderdale	$4,000	.....
Illinois:		
National Center for Agricultural Utilization Research, Peoria	8,400	8,200
Iowa:		
National Animal Disease Center, Ames	5,600	4,900
Kansas:		
Grain Marketing Research Lab, Manhattan	1,400	.....
Louisiana:		
Southern Regional Research Center, New Orleans	6,000	6,000
Maryland:		
Beltsville Agricultural Research Center	2,500	2,500
National Agricultural Library, Beltsville	1,200	1,200
Michigan:		
Avian Disease Lab, East Lansing	.....	2,000
Mississippi:		
Biocontrol & Insect Rearing, Stoneville	.....	1,100
Montana:		
Northern Plains Ag. Res. Lab, Pest Quarantine and IPM Facility, Sidney	.....	7,300
New Mexico:		
Jornada Range Research Station	.....	6,700

AGRICULTURAL RESEARCH SERVICE—Continued

[In thousands of dollars]

	FY 1999 estimate	Committee provisions
New York:		
Plum Island Animal Disease Center	3,500	3,500
Pennsylvania:		
Eastern Regional Research Center, Philadelphia	3,300	3,300
Utah:		
Poisonous Plant Lab, Logan	.....	630
Total, Buildings and Facilities	$35,900	$61,380

COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE

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

RESEARCH AND EDUCATION ACTIVITIES

1998 appropriation	$431,410,000
1999 budget estimate	412,589,000
Provided in the bill	431,125,000
Comparison:	
1998 appropriation	−285,000
1999 budget estimate	+18,536,000

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

COMMITTEE PROVISIONS

For payments under the Hatch Act, the Committee provides an appropriation of $168,734,000, the same as the amount available for fiscal year 1998 and $15,062,000 above the budget request.

For cooperative forestry research, the Committee provides an appropriation of $20,497,000, the same as the amount available for fiscal year 1998 and $615,000 above the budget request.

For payments to the 1890 land-grant colleges and Tuskegee University, the committee provides an appropriation of $27,735,000, the same as the budget request and the same as the amount available for fiscal year 1998.

RESEARCH AND EDUCATION

[In thousands of dollars]

	FY 1998 enacted	FY 1999 estimate	Committee provisions
RESEARCH AND EDUCATION ACTIVITIES			
Payments Under Hatch Act	$168,734	$153,672	$168,734
Cooperative forestry research (McIntire-Stennis)	20,497	19,882	20,497
Payments to 1890 colleges and Tuskegee	27,735	27,735	27,735
Special Research Grants (P.L. 89–106):			
Aegilops cylindricum (WA)	346		375
Aflatoxin (IL)	113		
Agriculture based industrial lubricants (IA)	200		250
Agricultural diversification (HI)	131		
Agricultural diversity/Red River Corridor (MN, ND)	250		250
Agriculture water usage (GA)			300
Alliance for food protection (NE, GA)	300		300
Alternative crops (ND)	550		600
Alternative crops for arid lands (TX)			100
Alternative marine and fresh water species (MS)	308		
Alternative salmon products (AK)	400		
Animal science food safety consortium (AR, IA, KS)	1,521		1,521
Apple fireblight (NY, MI)	500		500
Aquaculture (IL)	158		
Aquaculture (LA)	330		330
Aquaculture (MS)	642		
Aquaculture (VA)			200
Aquaculture product and marketing development (WV)	600		
Babcock Institute (WI)	312		400
Binational agriculture research and development	500	2,000	
Biodiesel research (MO)	152		
Center for animal health and productivity (PA)	113		113
Center for innovative food technology (OH)	281		381
Center for rural studies (VT)	32		
Chesapeake Bay aquaculture	370		400
Citrus decay fungus (AZ)	250		
Citrus tristeza			500
Coastal cultivars (GA)	250		
Competitiveness of agricultural products (WA)	677		700
Cool season legume research (ID, WA)	329		329
Cotton research (TX)	200		200
Cranberry/blueberry disease and breeding (NJ, MA)	220		320
Dairy (AK)	250		
Dairy and meat goat research (TX)	63		63
Delta rural revitalization (MS)	148		
Designing foods for health (TX)			300
Drought mitigation (NE)	200		200
Ecosystems (AL)	500		500
Environmental research (NY)	486		486
Environmental risk factors/cancer (NY)	100		100
Expanded wheat pasture (OK)	285		300

RESEARCH AND EDUCATION—Continued

[In thousands of dollars]

	FY 1998 enacted	FY 1999 estimate	Committee provisions
Farm and rural business finance (IL)	87		
Feed barley for rangeland cattle (MT)	600		600
Floriculture (HI)	250		
Food and Agriculture Policy Institute (IA, MO)	800		800
Food irradiation (IA)	200		200
Food Marketing policy center (CT)	332		375
Food Processing Center (NE)	42		42
Food safety	2,000	5,000	2,500
Food systems research group (WI)	221		225
Forestry (AR)	523		523
Fruit and vegetable market analysis (AZ, MO)	296		320
Generic commodity promotion research and evaluation (NY)	212		212
Global change	1,000	1,567	1,250
Global marketing support service (AR)	127		127
Grain Sorghum (KS)	106		106
Grass seed cropping systems for a sustainable agriculture (WA, OR, ID)	423		500
Human nutrition (IA)	473		473
Human nutrition (LA)	752		752
Human nutrition (NY)	622		622
Hydroponic tomato production (OH)	140		200
Illinois-Missouri Alliance for Biotechnology	1,184		1,184
Improved dairy management practices (PA)	296		296
Improved fruit practices (MI)	445		445
Institute for Food Science and Engineering (AR)	950		
Integrated production systems (OK)	161		200
International arid lands consortium	329		500
Iowa biotechnology consortium	1,564		1,564
Landscaping for water quality (GA)	300		
Livestock and dairy policy (NY, TX)	445		500
Lowbush blueberry research (ME)	220		220
Maple research (VT)	100		
Meadowfoam (OR)			300
Michigan biotechnology consortium	675		
Midwest advanced food manufacturing alliance	423		475
Midwest agricultural products (IA)	592		592
Milk safety (PA)	268		
Minor use animal drugs (IR–4)	550	550	550
Molluscan shellfish (OR)	400		400
Multi-commodity research (OR)	364		400
Multi-cropping strategies for aquaculture (HI)	127		
National biological impact assessment	254	254	254
Nematode resistance genetic engineering (NM)	127		127
Non-food uses of agricultural products (NE)	64		64
Oil resources from desert plant (NM)	175		175
Organic waste utilization (NM)	100		100
Pasture and forage research (UT)	225		225
Peach tree short life (SC)	162		
Pest control alternatives (SC)	106		
Phytophthora root rot (NM)	127		127
Plant, drought, and disease resistance gene cataloging	150		150
Plant genome research (OH)	50		
Postharvest rice straws (CA)	300		300
Potato research	1,214		1,400
Poultry carcass removal (AL)	300		
Precision agriculture (MS)	600		600
Preharvest food safety (KS)	212		212
Preservation and processing research (OK)	226		258
Rangeland ecosystems (NM)	185		200
Regional barley gene mapping project	348		400
Regionalized implications of farm programs (MO, TX)	294		300
Rice modeling, (AR)	296		296

RESEARCH AND EDUCATION—Continued

[In thousands of dollars]

	FY 1998 enacted	FY 1999 estimate	Committee provisions
Rural development centers (PA, IA (ND), MS, OR, LA)	423	423	523
Rural Policies Institute (NE, MO)	644	.....	.....
Russian wheat aphid (CO)	200	.....	200
Seafood and aquaculture harvesting, processing, and marketing (MS)	305	.....	.....
Small fruit research (OR, WA, ID)	212	.....	300
Southwest consortium for plant genetics and water resources	338	.....	338
Soybean cyst nematode (MO)	450	.....	500
STEEP III—water quality in Northwest	500	.....	500
Sustainable agriculture (MI)	445	.....	445
Sustainable agriculture and natural resources (PA)	94	.....	.....
Sustainable agriculture systems (NE)	59	.....	59
Sustainable pest mangement for dryland wheat (MT)	400	.....	400
Swine waste management (NC)	300	.....	500
Tillage, silviculture, waste management (LA)	212	.....	212
Tomato wilt virus (GA)	.....	.....	200
Tropical and subtropical	2,724	.....	2,500
Turkey carnavirus (IN)	.....	.....	200
Urban pests (GA)	64	.....	.....
Vidalia Onions (GA)	84	.....	100
Viticulture consortium (NY, CA)	800	.....	1,000
Water conservation (KS)	79	.....	79
Water quality	2,461	2,757	2,461
Weed control (ND)	423	.....	400
Wetland plants (LA)	.....	.....	600
Wheat genetic research (KS)	261	.....	261
Wood utilization research (OR, MS, NC, MN, ME, MI, ID, TN)	3,536	.....	4,536
Wool research (TX, MT, WY)	300	.....	300
Total, Special Research Grants	51,495	12,551	49,273
Improved pest control:			
Critical issues	200	200	200
Emerging pest and disease issues	1,623	4,200	1,623
Expert IPM decision support issues	177	260	177
Integrated pest management	2,731	8,000	2,731
Pesticide clearance (IR–4)	8,990	10,711	8,990
Pesticide impact assessment	1,327	1,327	1,327
Total, Improved pest control	15,048	24,698	15,048
Competitive research grants:			
Plant systems	37,000	47,000	37,500
Animal systems	24,000	29,500	24,500
Nutrition, food quality, and health	8,000	11,000	8,600
Natural resources and the environment	17,500	27,000	17,750
Processes and new products	6,800	9,000	7,050
Markets, trade and policy	3,900	6,500	4,150
Total, Competitive research grants	97,200	130,000	99,550
Animal Health and Disease (Sec. 1433)	4,775	4,775	4,775
Critical Agricultural Materials Act	550	.....	.....
Aquaculture Centers (Sec. 1475)	4,000	3,880	3,880
Alternative crops	650	.....	700
Sustainable agriculture	8,000	10,000	8,000
Capacity building grants	9,200	9,200	9,200
Payments to the 1994 institutions	1,450	1,450	1,450
Graduate fellowship grants	3,000	3,000	3,000
Institution challenge grants	4,350	4,350	4,350
Multcultural scholars program	1,000	1,000	1,000
Hispanic serving institutions	2,500	2,500	3,000
Native American Institutions Endowment Fund	(4,600)	(4,600)	(4,600)

RESEARCH AND EDUCATION—Continued

[In thousands of dollars]

	FY 1998 enacted	FY 1999 estimate	Committee provisions
Secondary/2-year post-secondary	.....	.....	200
Federal Administration:			
Agriculture development in American Pacific	564	.....	564
Agriculture waste utilization (WV)	360	.....	.....
Alternative Fuels Characterization Lab (ND)	218	.....	218
Animal Waste Management (OK)	250	.....	300
Center for Agricultural and Rural Development (IA)	355	.....	355
Center for Human Nutrition (MD)	150	.....	.....
Center for North American Studies (TX)	87	.....	87
Data Information System	800	2,000	1,000
Geographic information system	844	.....	844
Mariculture (NC)	150	.....	150
Mississippi Valley State University	583	.....	.....
National Center for Peanut Competitiveness	150	.....	300
Office of grants and program systems	310	310	310
Pay costs and FERS (prior)	900	1,236	1,100
Peer panels	350	350	350
PM–10 study (CA, WA)	873	.....	873
Shrimp aquaculture (AZ, HI, MS, MA, SC)	3,354	.....	3,354
Water quality (IL)	492	.....	492
Water quality (ND)	436	.....	436
Total, Federal Administration	11,226	3,896	10,733
Total, Research and Education Activities	$431,410	$412,589	$431,125

Alternative crops.—The Committee provides $700,000 for alternative crops, of which $500,000 is for canola research and $200,000 is for hesperaloe research.

Agriculture Water Usage (GA)—The demand for water is increasing the need for more efficient water practices. Agriculture is a major user of water and long-term planning will alleviate waste and pollution in heavily used agriculture areas. The Committee provides $300,000 for a five-year project to provide monitoring and modeling of certain commodities' water uses and practices.

Alternative crops for arid lands (TX)—The Committee provides $100,000 for research on arid land crops. Research in this area focuses on providing diversification of agriculture niche products including mesquite and prickly pear. These plants have historically been considered pests but through research are showing promise for productive agriculture.

Aquaculture (VA)—The Committee has provided $200,000 for research on recirculating aquaculture systems. Closed system aquaculture offers a promising alternative to traditional aquaculture. This type of system reduces waste use by 95%, reduces and contains waste, assures uniformly high quality products, and provides faster fish growth and higher survival rates.

Citrus Tristeza—This program was previously conducted through the Agricultural Research Service. The Committee provides $500,000 for research to assist in the suppression and eradication of citrus tristeza.

Cranberry (MA)—Demand for cranberries has expanded rapidly in recent years outstripping domestic supply. Research is needed to find better weed and pest control for cranberry yields. The Commit-

tee has included $100,000 for research at the University of Massachusetts.

Designing foods for health (TX)—Diet related diseases are the leading cause of two-thirds of the 2 million deaths that occur in the U.S. each year. Research has established that certain fruits and vegetables contain certain compounds important in the prevention and treatment of diseases. The Committee has provided $300,000 for an initiative to establish the role of delivery of improved products to consumers for health.

Integrated Pest Management—The Committee expects CSREES to implement its IPM research and extension programs with extensive farmer participation in all aspects of the program, substantial attention to on-farm research and demonstration projects, close coordination of research and extension activities, and explicit plans for communicating usable results to intended users and audiences.

Meadowfoam (OR)—Meadowfoam is a plant whose seed oil is being researched for uses in cosmetics, plastics, metalworking lubricants and other industrial products. This work was previously carried out through an agreement with the Agricultural Research Service. The Committee provides $300,000.

Tomato wilt virus (GA)—Tomato wilt virus epidemics cause an estimated $100,000,000 in losses to peanut and vegetable crops annually. The Committee provides $200,000 to begin research to eliminate this disease.

Turkey carnavirus (IN)—Turkey carnavirus is the major causative factor for turkey poult enteritis. This disease has resulted in significant losses in turkey production. Research will focus on development of diagnostic procedures and effective vaccines for the prevention of the disease. The Committee provides $200,000 for this research effort.

Wetland plants (LA)—Shoreline and coastal erosion have become major problems in coastal states. Current methods for control are inadequate and generally involve major environmental damage. Research in this area is beginning to target native plant species. The Committee provides $600,000 to continue biotechnology applications in wetlands plant production for erosion control purposes at the Rice Research Station in Louisiana.

Secondary/two year post secondary education—The Committee believes that it is important that the expertise and resources of the Department of Agriculture be available to support secondary agricultural education. The Committee requests a report on USDA's activities and efforts to cooperate with the U.S. Department of Education on all activities conducted and plans for future activities to collaborate and cooperate in providing both teaching and technical support for school-based agricultural education. The Committee has provided $200,000 to establish a pilot demonstration project for a secondary/two year post secondary education program.

Wood utilization—The Committee has included an increase of $1,000,000 for the wood utilization grants program. The increase allows for $450,000 at the University of Tennessee and $550,000 for a three state consortium in the northwest (University of Idaho, Washington State University, and University of Montana).

NATIVE AMERICAN INSTITUTIONS ENDOWMENT FUND

1998 appropriation	($4,600,000)
1999 budget estimate	(4,600,000)
Provided in the bill	(4,600,000)
Comparison:	
1998 appropriation	(.....)
1999 budget estimate	(.....)

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

COMMITTEE PROVISIONS

For the Native American Institutions Endowment Fund, the Committee provides $4,600,000, the same as the amount available in fiscal year 1998 and the same as the budget request.

EXTENSION ACTIVITIES

1998 appropriation	$423,376,000
1999 budget estimate	418,651,000
Provided in the bill	416,789,000
Comparison:	
1998 appropriation	−6,587,000
1999 budget estimate	−1,862,000

Cooperative agricultural extension work was established by the Smith-Lever Act of May 8, 1914, as amended. The legislation authorizes the Department of Agriculture to give, through the land-grant institutions, instruction and practical demonstrations in agricultural and home economics and related subjects, and to encourage the application of such information by means of demonstrations, publications, and otherwise to persons not attending or a resident in the colleges. In addition, the Service provides nutrition training to low-income families, 4–H Club work, and educational assistance such as community resource development.

COMMITTEE PROVISIONS

For Extension activities, the Committee provides an appropriation of $416,789,000, a decrease of $6,587,000 below the amount available for fiscal year 1998 and a decrease of $1,862,000 below the budget request.

The following table reflects the amount provided by the Committee:

RESEARCH AND EDUCATION

[In thousands of dollars]

	FY 1998 enacted	FY 1999 estimate	Committee provisions
Extension Activities			
Smith Lever 3(b) & 3(c)	$268,493	$257,753	$268,493
Smith Lever: 3(d)			
Farm safety	2,855	.....	3,000
Food and nutrition education (EFNEP)	58,695	56,347	56,147
Food safety	2,365	7,365	3,500
Indian reservation agents	1,672	5,000	1,672
Pest management	10,783	15,000	10,783
Pesticide impact assessment	3,214	3,313	3,214
Pesticide applicator training	.....	1,500	300
Rural development centers	908	908	908
Sustainable agriculture	3,309	3,309	3,309
Water quality	9,061	9,061	10,061
Youth at risk	9,554	10,000	9,000
1890's Colleges and Tuskegee	25,090	25,090	25,090
1890's facilities grants	7,549	12,000	8,549
Renewable Resources Extension Act	3,192	3,192	3,192
Agricultural telecommunications	900	.....	.....
Rural health and safety education	2,628	.....	.....
Extension services at the 1994 institutions	2,000	3,500	2,000
Subtotal	412,268	413,338	409,218
Federal Administration and special grants:			
Ag in the classroom	208	208	208
Beef producers' improvement (AR)	197	.....	.....
Delta teachers academy	3,500	.....	.....
Diabetes detection, prevention (WA)	.....	.....	550
Extension specialist (AR)	99	.....	.....
Extension specialist (MS)	50	.....	.....
General administration	4,787	5,105	4,950
Income enhancement demonstration (OH)	246	.....	250
Integrated cow/calf resources management (IA)	300	.....	300
National Center for Agriculture Safety (IA)	195	.....	.....
Pilot tech. transfer (OK, MS)	326	.....	326
Pilot tech. transfer (WI)	163	.....	163
Range improvement (NM)	197	.....	197
Rural development (NM)	247	.....	280
Rural development (OK)	150	.....	150
Rural rehabilitation (GA)	246	.....	.....
Wood biomass as an alternative farm product (NY)	197	.....	197
Total, Federal Administration	11,108	5,313	7,571
Total, Extension Activities	$423,376	$418,651	$416,789

The Committee is concerned that funds for cooperative agriculture extension are being used in cooperation with not-for-profit research organizations focusing on Federal policies and programs that promote Federal welfare programs, such as, but not limited to, the Earned Income Tax Credit. The Committee encourages the Cooperative Extension System to only maintain activities that help people improve their lives through education.

Diabetes detection, prevention, and care.—The Committee provides $550,000 for a pilot demonstration project to provide rural residents in Washington and Hawaii access to state-of-the-art

health technology and education related to diabetes and diabetes complications through the existing Extension Service County structure and communications system. These funds will allow Extension personnel to be trained in the use of advanced diabetes detection techniques.

Water Quality.—The Committee has provided an increase of $1,000,000 to Extension Service's water quality program. These funds should be used to expand the Farm*A*Syst voluntary pollution prevention programs.

OFFICE OF THE ASSISTANT SECRETARY FOR MARKETING AND REGULATORY PROGRAMS

1998 appropriation	$618,000
1999 budget estimate	642,000
Provided in the bill	642,000
Comparison:	
1998 appropriation	+24,000
1999 budget estimate	.....

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

COMMITTEE PROVISIONS

For the Office of the Assistant Secretary for Marketing and Regulatory Programs, the Committee provides an appropriation of $642,000, an increase of $24,000 above the amount available for fiscal year 1998 and the same as the budget request.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

SALARIES AND EXPENSES

1998 appropriation	$425,932,000
1999 budget estimate [1]	417,752,000
Provided in the bill	424,500,000
Comparison:	
1998 appropriation	−1,432,000
1999 budget estimate	+6,748,000

[1] The budget assumes enactment of user fees ($9,935,000).

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

Pest and Disease Exclusion.—The agency conducts inspection and quarantine activities at U.S. ports-of-entry to prevent the introduction of exotic animal and plant diseases and pests. The agency also

participates in inspection, survey, and control activities in foreign countries to reinforce its domestic activities.

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

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

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

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

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

COMMITTEE PROVISIONS

The following table reflects the amounts provided by the Committee:

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

[In thousands of dollars]

	FY 1998 enacted	FY 1999 request	Committee provisions
1. Pest and Disease Exclusion:			
Ag. quarantine inspection	$26,747	$30,648	$30,648
User fees	88,000	100,000	88,000
Subtotal, AQI	114,747	130,648	118,648
Cattle ticks	4,627	4,852	4,852
Foot-and-mouth disease	3,803	3,846	3,846
Sanitary/phytosanitary standards:.			
Import/export inspection	6,815	7,263	7,263
International programs	6,630	8,243	7,365
Fruit fly exclusion and detection	20,970	22,322	22,322
Screwworm	31,713	30,623	30,623
Tropical bont tick	444	414	414

ANIMAL AND PLANT HEALTH INSPECTION SERVICE—Continued

[In thousands of dollars]

	FY 1998 enacted	FY 1999 request	Committee provisions
Total, Pest and Disease Exclusion	189,749	208,211	195,333
2. Plant and Animal Health Monitoring:			
Animal health monitoring and surveillance	61,464	65,017	65,017
Animal and plant health regulatory enforcement	5,855	6,036	6,036
Pest detection	6,302	6,685	6,426
Total, Plant and Animal Health Monitoring	73,621	77,738	77,479
3. Pest and Disease Management Programs:			
Aquaculture	567	583	567
Biological control	6,275	8,467	8,467
Boll weevil	16,209	4,090	16,209
Brucellosis eradication	19,818	11,654	11,654
Golden nematode	435	419	419
Gypsy moth	4,366	4,702	4,504
Imported fire ant	1,000	0	1,000
Misc. plant diseases	1,516	1,461	1,461
Noxious weeds	454	382	454
Pink bollworm	1,048	0	1,048
Pseudorabies	4,481	4,567	4,567
Scrapie	2,931	3,199	2,991
Silverleaf whitefly	1,877	0	0
Tuberculosis	4,920	5,012	4,920
Wildlife Services operations	28,487	26,051	28,732
Witchweed	1,638	1,546	1,546
Total, Pest and Disease Management Programs	96,022	72,133	88,539
4. Animal Care:			
Animal welfare	9,175	6,374	9,175
Horse protection	353	361	361
Total, Animal Care	9,528	6,735	9,536
5. Scientific & Technical Services:			
Biotechnology/environmental protection	8,132	7,393	7,393
Integrated systems acquisition	3,500	3,696	3,696
Plant methods development labs	5,048	4,891	4,891
Veterinary biologics	10,345	7,098	7,098
Veterinary diagnostics	15,622	16,065	16,065
Wildlife Services methods devel	10,215	9,687	10,365
Total, Scientific and Technical Services	52,862	48,830	49,508
6. Contingency fund	4,500	4,105	4,105
Total, Salaries and Expenses	$426,282	$417,752	$424,500
Recap:			
Appropriated	338,282	317,752	336,500
AQI User Fees	88,000	100,000	88,000

Agricultural Quarantine Inspection (AQI).—The Committee provides an appropriation of $88,000,000 for the agricultural quarantine inspection user fee program, the same as the amount available in fiscal year 1998 and a decrease of $12,000,000 below the budget request.

The Committee notes the rapid growth of imports through Miami International Airport and requests that the Department consider

allocation of additional resources there to protect American agriculture and the safety of the food supply.

Animal Health Monitoring and Surveillance.—The Committee urges APHIS to implement regulations for the safe transportation of horses to slaughterhouse facilities.

Wildlife Services.—The Committee directs APHIS to assure, to the maximum extent possible, that all control activities be cost-shared with local sponsors. The Committee also expects APHIS to continue work related to blackbird damage control in Louisiana. The Committee provides $1,500,000 for rabies control activities.

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

The Committee directs that APHIS continue its efforts to maximize cost sharing of control activities in all states to the extent possible. However, the Committee believes that circumstances vary among states and does not support the rigid cost sharing requirement proposed in the budget.

Avocados.—The Committee urges the Animal and Plant Health Inspection Service to continue working with U.S. avocado growers in implementing procedures for the safe importation of Mexican avocados. The Committee directs APHIS to report on the status of Mexican avocado imports including any problems in pest surveys, oversight by APHIS personnel and importation, including diversion of Mexican avocados to other than approved destinations. The report should be submitted with the Fiscal Year 2000 budget request for the agency.

Imported Fire Ant.—The Committee supports the development of a program for the control, management, and eradication of the imported fire ant and provides funding for this program at the same level as fiscal year 1998.

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

Horse Protection.—The Committee is concerned about the implementation of the Department's recently released Strategic Plan for the Horse Protection Act which proposes to transfer certain enforcement responsibilities of the Act to six Horse Industry Organizations. These inspection programs have been formally approved and certified by APHIS. The Committee believes that written enforcement agreements need to be negotiated and executed between APHIS and each of these six Horse Industry Organizations to reduce conflicts in the inspection process and to ensure proper implementation of the goals and objectives of the Strategic Plan. The Committee expects APHIS and the six Horse Industry Organizations to include in these written enforcement agreements the fol-

lowing elements: (1) a uniform horse inspection and grading system, which relies exclusively on generally-accepted equine medical principles, to be used by both Department and industry inspectors at horse shows, exhibitions, sales or auctions; (2) a schedule of minimum suspension penalties for horse show participants which relies on the facts and circumstances standards authorized by the Act; and (3) a fair and effective system for resolving disputes in the field between Department and industry inspectors. The Committee further expects APHIS and the six Horse Industry Organizations to negotiate these written enforcement agreements in good faith and execute such agreements prior to the start of the 1999 show season.

Methods Development.—The Committee provides $450,000 for continuation of trap testing, development of best management practices and related activities necessary to meet U.S. obligations under an international agreement for trap standards. The Committee expects that activities funded by this appropriation shall continue to be carried out by APHIS Wildlife Services and in full cooperation with state wildlife management agencies and the International Association of Fish and Wildlife Agencies.

National Farm Animal Identification and Records Project for Dairy Cattle.—The Committee provides continued funding at the fiscal year 1998 level for the National Farm Animal Identification and Records Project for Dairy Cattle to be coordinated with the Holstein Association.

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

Screwworm.—The Committee notes that the transfer of the screwworm facility in Chiapas, Mexico in several years may add to serious unemployment problems in the area. The Committee directs APHIS to work with other appropriate USDA and multinational agencies to develop possible solutions, including agricultural production cooperatives, which do not compete with U.S. agricultural production.

Asian Longhorned Beetle.—The Committee expects APHIS to continue detection and eradication work on the Asian longhorned beetle from the contingency fund.

BUILDINGS AND FACILITIES

1998 appropriation	$4,200,000
1999 budget estimate	5,200,000
Provided in the bill	5,200,000
Comparison:	
1998 appropriation	+1,000,000
1999 budget estimate	.....

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

COMMITTEE PROVISIONS

For Animal and Plant Health Inspection Service, Buildings and Facilities, the Committee provides an appropriation of $5,200,000, an increase of $1,000,000 above the amount available for fiscal year 1998 and the same as the budget request.

AGRICULTURAL MARKETING SERVICE

MARKETING SERVICES

1998 appropriation	$46,567,000
1999 budget estimate	58,469,000
Provided in the bill	46,567,000
Comparison:	
1998 appropriation	.....
1999 budget estimate	−11,902,000

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

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

COMMITTEE PROVISIONS

For Marketing Services of the Agricultural Marketing Service, the Committee provides an appropriation of $46,567,000, the same as the amount available for fiscal year 1998 and a decrease of $11,902,000 below the budget request. Included in this amount is an increase of $505,000 for the Organic Standards program and $110,000 for International Market News. The Committee is aware that the Department has completed its assistance with the salmon marketing program and that funding will no longer be needed for this activity. The Committee also provides language to allow for the collection of fees for the development of standards.

The Committee expects implementation of the Organic Certification Program to continue and that a final rule will be published in fiscal year 1999.

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

The Committee directs the Agricultural Marketing Service to request public comment regarding establishing, on a voluntary user-fee basis, a Quality Through Verification Program by December 1, 1998.

LIMITATION ON ADMINISTRATIVE EXPENSES

1998 limitation	($59,521,000)
1999 budget limitation	(60,730,000)
Provided in the bill	(60,730,000)
Comparison:	
1998 limitation	(+1,209,000)
1999 budget limitation	(.....)

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

COMMITTEE PROVISIONS

For a Limitation on Administrative Expenses of the Agricultural Marketing Service, the Committee provides $60,730,000, an increase of $1,209,000 above the amount available for fiscal year 1998 and the same as the budget request.

FUNDS FOR STRENGTHENING MARKETS, INCOME, AND SUPPLY

(SECTION 32)

1998 appropriation	$10,690,000
1999 budget estimate	10,998,000
Provided in the bill	10,998,000
Comparison:	
1998 appropriation	+308,000
1999 budget estimate	.....

The Act of August 24, 1935, appropriates 30 percent of all customs receipts for: (a) encouraging exports of agricultural commodities; (b) encouraging domestic consumption of agricultural commodities by diversion to alternative outlets or by increasing their utilization; and (c) reestablishing the farmers' purchasing power.

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

The following table reflects the status of this fund for fiscal years 1997 through 1999:

ESTIMATED TOTAL FUNDS AVAILABLE AND BALANCE CARRIED FORWARD, FISCAL YEARS 1997–1999

	FY 1997 actual	FY 1998 current estimate	FY 1999 current estimate
Appropriation (30 percent of customs receipts)	$5,923,376,725	$5,730,107,608	$5,701,865,817

ESTIMATED TOTAL FUNDS AVAILABLE AND BALANCE CARRIED FORWARD, FISCAL YEARS 1997–1999—Continued

	FY 1997 actual	FY 1998 current estimate	FY 1999 current estimate
Less transfers:			
Food and Nutrition Service	−5,433,753,000	−5,151,391,000	−5,048,150,000
Commerce Department	−66,381,020	−65,734,190	−65,734,015
Total, transfers	−5,500,134,020	−5,217,125,190	−5,206,534,015
Budget authority	423,242,705	512,982,418	495,331,802
Unobligated balance available, start of year	300,000,000	233,868,236	129,335,198
Recoveries of prior year obligations	38,784,325	0	0
Available for obligation	762,027,030	746,850,654	717,317,000
Less obligations:			
Commodity procurement:			
Child nutrition purchases	399,949,263	400,000,000	400,000,000
Emergency surplus removal	100,946,696	193,627,456	0
Diversion payments	9,000,000	0	0
Disaster relief	2,150,000	7,000,000	0
Total, commodity procurement	512,045,959	600,627,456	400,000,000
Administrative funds:			
Commodity purchase service	5,624,409	6,198,000	6,319,000
Marketing agreements and orders	10,488,426	10,690,000	10,998,000
Total, administrative funds	16,112,835	16,888,000	17,317,000
Total, obligations	528,158,794	617,515,456	417,317,000
Carryout	233,868,236	129,335,198	300,000,000
Unobligated balance available, end of year	233,868,236	129,335,198	300,000,000

COMMITTEE PROVISIONS

For the Marketing Agreements and Orders Program, the Committee provides a transfer from section 32 funds of $10,998,000, an increase of $308,000 above the amount available for fiscal year 1998 and the same as the budget request.

PAYMENTS TO STATES AND POSSESSIONS

1998 appropriation	$1,200,000
1999 budget estimate	1,200,000
Provided in the bill	1,200,000
Comparison:	
1998 appropriation	.....
1999 budget estimate	.....

The Federal-State Marketing Improvement Program is authorized by section 204(b) of the Agricultural Marketing Act of 1946 and is also funded from appropriations. Payments are made to state marketing agencies to: identify and test market alternative farm commodities; determine methods of providing more reliable market information; and develop better commodity grading standards. This program has made possible many types of projects, such as electronic marketing and agricultural product diversification. Current projects are focused on the improvement of marketing efficiency and effectiveness, and seeking new outlets for existing farm

produced commodities. The legislation grants the U.S. Department of Agriculture authority to establish cooperative agreements with State Departments of Agriculture or similar state agencies to improve the efficiency of the agricultural marketing chain. The states perform the work or contract it to others, and must contribute at least one-half of the cost of the projects.

COMMITTEE PROVISIONS

For Payments to States and Possessions, the Committee provides an appropriation of $1,200,000, the same as the amount available for fiscal year 1998 and the same as the budget request.

GRAIN INSPECTION, PACKERS AND STOCKYARDS ADMINISTRATION

SALARIES AND EXPENSES

1998 appropriation	$25,390,000
1999 budget estimate	[1] 11,797,000
Provided in the bill	29,042,000
Comparison:	
1998 appropriation	+3,652,000
1999 budget estimate	+17,245,000

[1] The budget assumes enactment of user fees ($21,476,000) offset by startup costs of $4.2 million.

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

COMMITTEE PROVISIONS

For Grain Inspection, Packers and Stockyards Administration, the Committee provides an appropriation of $29,042,000, an increase of $3,652,000 above the amount available for fiscal year 1998 and an increase of $17,245,000 above the budget request.

The Committee has provided $3,000,000 for restructuring the Packers and Stockyards Administration. The Committee believes that the efficiencies that could be gained from consolidating the Packers and Stockyards Administration from 11 regional offices to 3; consolidating two program divisions and six branches into one policy/litigation office with three branches; and transferring 20 percent of headquarters positions to field offices would benefit the agency as well as the taxpayer. This restructuring provides the agency with the ability to investigate anticompetitive practices and provide flexibility in enforcing the trade practice and payment protection provisions of the Packers and Stockyards Act.

The Committee has included an increase of $397,000 for packer concentration and industry structure.

LIMITATION ON INSPECTION AND WEIGHING SERVICES EXPENSES

1998 limitation	($43,092,000)
1999 budget limitation	(42,557,000)
Provided in the bill	(42,557,000)
Comparison:	
1998 limitation	(−535,000)
1999 budget limitation	(.....)

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

COMMITTEE PROVISIONS

The Committee includes a limitation on inspection and weighing services expenses of $42,557,000, a decrease of $535,000 below the amount available for fiscal year 1998 and the same as the budget request. The bill includes authority to exceed by 10 percent the limitation on inspection and weighing services with notification to the Appropriations Committees. This allows for flexibility if export activities require additional supervision and oversight or other uncontrollable factors occur.

OFFICE OF THE UNDER SECRETARY FOR FOOD SAFETY

1998 appropriation	$446,000
1999 budget estimate	598,000
Provided in the bill	.....
Comparison:	
1998 appropriation	−446,000
1999 budget estimate	−598,000

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

COMMITTEE PROVISIONS

The Committee has provided no separate funding for the Office of the Under Secretary for Food Safety. The Administration annually requests funding for additional positions in the Office of the Under Secretary for "policy guidance." The Administration also annually requests additional funding for the Food Safety and Inspection Service which is the single agency for which the Under Secretary has oversight responsibility. Given the extremely tight funding situation and the need to add resources to the Food Safety and Inspection Service, the Committee has provided $446,000 for the Office of the Under Secretary for Food Safety within the budget of the Food Safety and Inspection Service for fiscal year 1999. This

will enable the Administration to best decide where resources are needed. The $446,000 is the same amount available for the Office of the Under Secretary for Food Safety in fiscal year 1998 and $152,000 below the budget request.

FOOD SAFETY AND INSPECTION SERVICE

1998 appropriation	$588,761,000
1999 budget estimate	[1] 149,566,000
Provided in the bill	609,250,000
Comparison:	
1998 appropriation	+20,489,000
1999 budget estimate	+459,684,000

[1] The budget assumes enactment of user fees ($573,434,000) and start up costs of $100 million.

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

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

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

COMMITTEE PROVISIONS

For the Food Safety and Inspection Service and the Office of the Under Secretary for Food Safety, the Committee provides an appropriation of $609,250,000, an increase of $20,489,000 above the amount available for fiscal year 1998 and an increase of $459,684,000 above the budget request.

The budget request assumes enactment of user fees totaling $573,434,000. The Committee believes that the delay on the part of the Administration in sending the necessary authorizing legislation to Congress and the lack of support among industry and consumer groups for the user fees require appropriated funds to insure that the critical activities of the Food Safety and Inspection Service continue in fiscal year 1999.

The Committee regards the Administration's use of user fees for food safety as an accounting device to allow new spending on other programs as a grave matter, particularly considering the importance of food safety. If the Administration is serious about the implementation of user fees to pay for food safety inspection activities, it should deliver the necessary legislation to Congress in a timely manner, develop a realistic plan to support that legislation and allow for a public discussion of the issue with consumer groups, producers and other interested parties.

The Committee directs the Department to work with the Centers for Disease Control and Prevention and any other appropriate

agency to provide the House and Senate Committees on Appropriations an annual report on the incidence of foodborne illnesses in the United States. The report should be submitted with the annual request for funding for the Food Safety and Inspection Service.

The Committee is concerned by reports that some difficulties in implementation of the new Hazard Analysis Critical Control Point (HACCP) system have occurred due to inadequate training of inspectors. The Committee expects science-based training in HACCP to be conducted with curricula and accredited instructors of organizations such as the International Meat and Poultry HACCP Alliance or training certified by the Administrator as equivalent thereto.

The Committee directs the General Accounting Office to conduct a study of the implementation of the HACCP system with emphasis on regulatory review and the similarity of FSIS' HACCP systems to the seven principles of HACCP as outlined by the National Advisory Commission on the Microbiological Criteria for Food, the training of plant personnel and the adequacy of the dispute resolution process between producers and inspectors. The Committee understands that, because HACCP has not been fully implemented yet, this study will not be a final evaluation of the program.

The fiscal year 1998 Appropriations Act required FSIS to publish a final rule to implement the egg refrigeration provisions as contained in the 1991 amendments to the Egg Products Inspection Act. The Committee expects that publication of a proposed rule will be completed in a timely fashion so that there will be an opportunity for public comment before the final rule is published as required in the 1998 bill.

The Committee does not agree to proposed bill language which would waive the requirement that Federal funds for any year shall not exceed 50 percent of the estimated total cost of cooperative state inspection programs.

The Committee notes that FSIS has been working on development of an electronic system for issuing export certificates and expects FSIS to report on the feasibility and cost of such a system when it presents its fiscal year 2000 budget justification.

FARM ASSISTANCE PROGRAMS

OFFICE OF THE UNDER SECRETARY FOR FARM AND FOREIGN AGRICULTURAL SERVICES

1998 appropriation	$572,000
1999 budget estimate	597,000
Provided in the bill	597,000
Comparison:	
1998 appropriation	+25,000
1999 budget estimate	

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

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

COMMITTEE PROVISIONS

For the Office of the Under Secretary for Farm and Foreign Agricultural Services, the Committee provides an appropriation of $597,000, an increase of $25,000 above the amount available for fiscal year 1998 and the same as the budget request.

FARM SERVICE AGENCY

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

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

Marketing assistance loan program, price support programs, and other loan and related programs.—The 1996 Act provides for marketing assistance loans to producers of contract commodities, extra long staple (ELS) cotton, and oilseeds for the 1996 through 2002 crops. With the exception of ELS cotton, these nonrecourse loans are characterized by loan repayment rates that may be determined to be less than the principal plus accrued interest per unit of the commodity. Producers have the option of taking a loan deficiency payment, if available, in lieu of the marketing assistance loan.

The 1996 Act also provides for a loan program for sugar for the 1996 through 2002 crops of sugar beets and sugarcane, where the loans may be either recourse or nonrecourse in nature depending on the level of the tariff rate quota for imports of sugar. The 1996 Act provides for a milk price support program, whereby the price of milk is supported through December 31, 1999, via purchases of butter, cheese, and nonfat dry milk. The rate of support is fixed

each calendar year, starting at $10.35 per hundredweight in 1996 and declining each year to $9.90 per hundredweight in 1999. Beginning January 1, 2000, the 1996 Act provides a recourse loan program for commercial processors of dairy products. The 1996 Act and the 1938 Act provide for a peanut loan and poundage quota program for the 1996 through 2002 crops of peanuts. Finally, the Agricultural Act of 1949, as amended (1949 Act), and the 1938 Act provide for a price support, quota, and allotment program for tobacco.

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

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

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

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

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

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

Risk management.—Includes the Noninsured Crop Disaster Assistance Program (NAP) which provides crop loss protection for growers of many crops for which crop insurance is not available.

SALARIES AND EXPENSES

	Appropriation	*Transfer from program accts.*	*Total, FSA, S&E*
1998 appropriation	$699,579,000	($211,265,000)	($910,844,000)
1999 budget estimate [1]	723,478,000	(229,190,000)	(952,668,000)
Provided in the bill	724,499,000	(211,265,000)	(935,764,000)
Comparison:			
1998 appropriation	+24,920,000	(.....)	(+24,920,000)
1999 budget estimate	+1,021,000	(−17,925,000)	(−16,904,000)

[1] The budget assumes enactment of user fees ($10,000,000).

COMMITTEE PROVISIONS

For Salaries and Expenses of the Farm Service Agency (FSA), the Committee provides an appropriation of $724,499,000 and transfers from other accounts of $211,265,000, for a total program level of $935,764,000. This is an increase of $24,920,000 above the amount available for fiscal year 1998 and a decrease of $16,904,000 below the budget request.

The amount provided includes pay costs, retirement costs, and non-Federal county office support and reductions proposed as part of the USDA 1994 Reorganization Act. The Committee expects the Department to defer any further staff reductions beyond those already agreed to in the 1994 restructuring plan until such time as an independent study of staff levels and workload requirements is completed and reviewed/evaluated by the appropriate Committees of Congress.

The Committee remains concerned about the Department's aging information systems and its ability to complete a transition to a common county office structure and computing system. Streamlined county offices are necessary and the ability of those offices to effectively serve farmers and others in rural areas is the ultimate goal. To assist in this process, the Committee has provided an increase of $10,000,000 for the service center implementation and common computing environment concept.

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

STATE MEDIATION GRANTS

1998 appropriation	$2,000,000
1999 budget estimate	4,000,000
Provided in the bill	2,000,000
Comparison:	
1998 appropriation	.....
1999 budget estimate	−2,000,000

This program is authorized under title V of the Agricultural Credit Act of 1987. Originally designed to address agricultural credit disputes, the program was expanded by the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994 to include other agricultural issues such as wetland determinations, conservation compliance, rural water loan programs, grazing on national forest system lands, and pesticides. Grants are

made to states whose mediation programs have been certified by FSA. Grants will be solely for operation and administration of the state's agricultural mediation program.

COMMITTEE PROVISIONS

For State Mediation Grants, the Committee provides an appropriation of $2,000,000, the same as the amount available in fiscal year 1998 and a decrease of $2,000,000 below the budget request.

DAIRY INDEMNITY PROGRAM

1998 appropriation	$550,000
1999 budget estimate	450,000
Provided in the bill	450,000
Comparison:	
1998 appropriation	−100,000
1999 budget estimate	

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

COMMITTEE PROVISIONS

For the Dairy Indemnity Program, the Committee provides an appropriation of $450,000, a decrease of $100,000 below the amount available for fiscal year 1998 and the same as the budget request.

AGRICULTURAL CREDIT INSURANCE FUND PROGRAM ACCOUNT

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

Operating Loans.—Makes loans to farmers and ranchers for costs incident to reorganizing a farming system for more profitable operations, for a variety of essential farm operating expenses such as purchase of livestock, farm equipment, feed, seed, fertilizer, and farm supplies; for refinancing land and water development, use, and conservation; for refinancing indebtedness; for other farm and home needs; and for loan closing costs.

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

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

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

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

ESTIMATED LOAN LEVELS

1998 loan level	($2,400,693,000)
1999 budget estimate	(2,991,034,000)
Provided in the bill	(2,627,031,000)
Comparison:	
1998 loan level	(+226,338,000)
1999 budget estimate	(−364,003,000)

NOTE.—Public Law 105–18 provided supplemental 1997 appropriations of $29,300,000 to support a loan level of $164,000,000. These funds are not reflected here.

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

COMMITTEE PROVISIONS

Approximate loan levels provided by the Committee for fiscal year 1999 for the agricultural credit insurance fund programs are: $500,031,000 for farm ownership loans, of which $75,000,000 is for direct loans and $425,031,000 is for guaranteed loans; $1,976,000,000 for farm operating loans, of which $500,000,000 is for direct loans, $200,000,000 is for guaranteed subsidized loans, and $1,276,000,000 is for guaranteed unsubsidized loans; $1,000,000 for Indian tribe land acquisition loans; $25,000,000 for emergency disaster loans; $100,000,000 for boll weevil eradication loans; and $25,000,000 for credit sales of acquired property.

AGRICULTURE CREDIT PROGRAMS

[In thousands of dollars]

	FY 1998 level	FY 1999 estimate	Committee provisions
Farm loan programs:			
Farm ownership:			
Direct	($78,320)	($85,000)	($75,000)
Guaranteed	(425,000)	(425,031)	(425,031)
Farm operating:			
Direct	(565,000)	(500,000)	(500,000)
Unsubsidized guaranteed	(992,906)	(1,700,000)	(1,276,000)
Subsidized guaranteed	(235,000)	(200,000)	(200,000)
Emergency disaster	(25,000)	(25,000)	(25,000)
Indian tribe land acquisition	(1,000)	(1,003)	(1,000)
Credit sales of acquired property	(25,000)	(25,000)	(25,000)
Boll Weevil Eradication	(53,467)	(30,000)	(100,000)
Total, farm loans	($2,400,693)	($2,991,034)	($2,627,031)

ESTIMATED LOAN SUBSIDY AND ADMINISTRATIVE EXPENSES LEVELS

	Direct loan subsidy	*Guaranteed loan subsidy*	*Administrative expenses*
1998 appropriation	$55,019,000	$50,678,000	$219,861,000

	Direct loan subsidy	*Guaranteed loan subsidy*	*Administrative expenses*
1999 budget estimate	56,620,000	43,958,000	237,673,000
Provided in the bill	56,110,000	35,238,000	219,861,000
Comparison:			
1998 appropriation	(+1,091,000)	(−15,440,000)	.....
1999 budget estimate	(−510,000)	(−8,720,000)	(−17,812,000)

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

COMMITTEE PROVISIONS

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

	FY 1998 enacted	FY 1999 estimate	Committee provisions
Loan subsidies:			
Farm ownership:			
Direct	$8,329,000	$12,725,000	$11,228,000
Guaranteed	16,407,000	6,758,000	6,758,000
Subtotal	24,736,000	19,483,000	17,986,000
Farm operating:			
Direct	36,823,000	34,150,000	34,150,000
Guaranteed unsubsidized	11,617,000	19,720,000	11,000,000
Guaranteed subsidized	22,654,000	17,480,000	17,480,000
Subtotal	71,094,000	71,350,000	62,630,000
Boll weevil eradication	472,000	432,000	1,440,000
Indian tribe land acquisition	132,000	153,000	153,000
Emergency disaster	6,008,000	5,900,000	5,900,000
Credit sales of acquired property	3,255,000	3,260,000	3,260,000
Total, Loan subsidies	105,697,000	100,578,000	91,369,000
ACIF expenses:			
Salaries and expenses	209,861,000	227,673,000	209,861,000
Administrative expenses	10,000,000	10,000,000	10,000,000
Total, ACIF expenses	$219,861,000	$237,673,000	$219,861,000

RISK MANAGEMENT AGENCY

1998 appropriation	$252,571,000
1999 budget estimate	66,000,000
Provided in the bill	64,000,000
Comparison:	
1998 appropriation	−188,571,000
1999 budget estimate	−2,000,000

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

RMA manages program activities in support of the Federal crop insurance program as authorized by the Federal Crop Insurance

Reform and Department of Agriculture Reorganization Act of 1994 and the FAIR Act of 1996. Functional areas of RMA are research and development, insurance services, and compliance whose functions include policy formulation and procedures and regulations development. Reviews and evaluations are conducted for overall performance to ensure the actuarial soundness of the insurance program.

COMMITTEE PROVISIONS

For the Risk Management Agency, the Committee provides an appropriation of $64,000,000, a decrease of $188,571,000 below the amount available for fiscal year 1998 and a decrease of $2,000,000 below the budget request.

The significant reduction below fiscal year 1998 is a result of certain costs related to the program being covered through the Corporation Fund.

CORPORATIONS

FEDERAL CROP INSURANCE CORPORATION FUND

1998 appropriation	[1] $1,584,135,000
1999 budget estimate	[1] 1,504,036,000
Provided in the bill	1,504,036,000
Comparison:	
1998 appropriation	−80,099,000
1999 budget estimate	.....

[1] Estimated amounts. The 1998 appropriations bill provided such sums as may be necessary to administer the program. The FY 1999 proposed appropriation will do the same. RMA applied a portion of their unobligated balance to cover expenses in FY 1998 thus reducing the appropriation needed.

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

Producers of insurable crops are eligible to receive a basic level of protection against catastrophic losses, which cover 50 percent of the normal yield at 60 percent of the expected price. The only cost to the producer is an administrative fee of $50 per policy, or $200 for all crops grown by the producer in a county, with a cap of $600 regardless of the number of crops and counties involved. At least catastrophic (CAT) coverage was required for producers who participate in the commodity support, farm credit, and certain other farm programs. This coverage was available either through FSA local offices or private insurance companies. Under the Federal Agriculture Improvement and Reform (FAIR) Act of 1996, producers have the option of waiving their eligibility for emergency crop loss assistance instead of obtaining CAT coverage required to meet program requirements. Emergency loss assistance does not include emergency loans or payment under the noninsured assistance program (NAP), which is administered by FSA. Beginning with the 1997 crop, the Secretary began phasing out delivery of CAT coverage through the FSA offices, except in those areas where there are insufficient private insurance providers. In 1998, the private companies serve as the sole source for CAT coverage.

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

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

COMMITTEE PROVISIONS

For the Federal Crop Insurance Corporation Fund, the Committee provides an appropriation of such sums as may be necessary, the same as the budget request.

COMMODITY CREDIT CORPORATION FUND

The Corporation was organized on October 17, 1933, under the laws of the State of Delaware, as an agency of the United States, and was managed and operated in close affiliation with the Reconstruction Finance Corporation. On July 1, 1939, it was transferred to the Department of Agriculture by the President's Reorganization Plan No. 1. On July 1, 1948, it was established as an agency and instrumentality of the United States under a permanent Federal charter by Public Law 80–806, as amended. Its operations are conducted pursuant to this charter and other specific legislation.

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

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

tural Act of 1949, as amended (1949 Act); the Agricultural Adjustment Act of 1938, as amended (1938 Act); and the Food Security Act of 1985, as amended (1985 Act).

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

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

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

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

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

The Corporation has an authorized capital stock of $100 million held by the United States and authority to borrow up to $30 billion. The fiscal year 1988 Appropriations Act, P.L. 100–202, increased the statutory borrowing authority from $25 billion to $30 billion. Funds are borrowed from the Federal Treasury and may also be borrowed from private lending agencies.

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

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

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

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

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

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

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

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

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

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

REIMBURSEMENT FOR NET REALIZED LOSSES

1998 appropriation	$783,507,000
1999 budget estimate	[1] 8,439,000,000
Provided in the bill	8,439,000,000
Comparison:	
1998 appropriation	+7,655,493,000
1999 budget estimate	.....

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

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

COMMITTEE PROVISIONS

For Reimbursement for Net Realized Losses to the Commodity Credit Corporation, the Committee provides $8,439,000,000, an increase of $7,655,493,000 above the amount provided in fiscal year 1998 and the same as the budget request.

OPERATIONS AND MAINTENANCE FOR HAZARDOUS WASTE MANAGEMENT

1998 limitation	($5,000,000)
1999 budget estimate	(5,000,000)
Provided in the bill	(5,000,000)
Comparison:	
1998 limitation	(.....)
1999 budget estimate	(.....)

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

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

COMMITTEE PROVISIONS

For CCC Operations and Maintenance for Hazardous Waste Management, the Committee provides a limitation of $5,000,000,

the same as the amount available for fiscal year 1998 and the same as the budget request.

TITLE II—CONSERVATION PROGRAMS

OFFICE OF THE UNDER SECRETARY FOR NATURAL RESOURCES AND ENVIRONMENT

1998 appropriation	$693,000
1999 budget estimate	719,000
Provided in the bill	719,000
Comparison:	
1998 appropriation	+26,000
1999 budget estimate	

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

COMMITTEE PROVISIONS

For the Office of the Under Secretary for Natural Resources and Environment, the Committee provides an appropriation of $719,000, an increase of $26,000 above the amount available for fiscal year 1998 and the same as the budget request.

The Committee continues its support for the Conservation Reserve Enhancement Program (CREP). The Committee understands that the Secretary has made a decision to dedicate a minimum of 5.5 million acres of the Conservation Reserve Program to continuous sign-up (including the buffer strip initiative) and CREP enrollments. The Committee remains concerned about the geographic disparity among CREP participants and directs the Secretary to take all reasonable steps to ensure maximum flexibility in the CREP rental rate formula in order to promote participation from all regions of the country.

NATURAL RESOURCES CONSERVATION SERVICE

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

NRCS provides America's private land conservation through local conservation districts to individuals, communities, watershed groups, tribal governments, Federal, state, and local agencies, and others. The NRCS staff at the local level work with state and local conservation staff and volunteers in a partnership to assist individ-

uals and communities to care for natural resources. NRCS also develops technical guidance for conservation planning and assistance. This technical guidance is tailored to local conditions and is widely used by NRCS staff and governmental and nongovernmental organizations to ensure that conservation is based on sound science.

The benefits of these activities are multifaceted, including sustained and improved agricultural productivity; cleaner, safer, and more dependable water supplies; reduced damages caused by floods and other natural disasters; and an enhanced natural resource base to support continued economic development, recreation, and the environment.

CONSERVATION OPERATIONS

1998 appropriation	$632,853,000
1999 budget estimate	[1,2] 742,231,000
Provided in the bill	641,243,000
Comparison:	
1998 appropriation	+8,390,000
1999 budget estimate	−100,988,000

[1] Includes funding for Watershed Surveys and Planning and technical assistance for the Watershed and Flood Prevention Operations Program.
[2] The budget assumes enactment of user fees ($10 million).

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

COMMITTEE PROVISIONS

For Conservation Operations, the Committee provides an appropriation of $641,243,000, an increase of $8,390,000 above the amount available for fiscal year 1998 and a decrease of $100,988,000 below the budget request. The Committee has included $15,000,000 in each of the last three fiscal years for the grazing lands conservation initiative and expects the agency to continue this funding level in fiscal year 1999.

The Committee believes in the way the NRCS has provided vital conservation technical assistance to private landowners, groups, and communities since 1935. As a result, the Committee does not concur with the Administration's proposal to establish America's Private Land Conservation Legacy.

The Committee has included a limitation that allows 130,000 additional acres to be enrolled in the wetlands reserve program instead of the 164,214 additional acres as the budget proposes; and a limitation on the funding level for the environmental quality in-

centives program of $174,000,000. The savings from these limitations are used to protect funding for the conservation operations account.

The Committee has provided for the continuation of the following projects: $300,000 to promote pastureland management and rotational grazing in Central New York; $250,000 to establish best management practices to individual farmers to reduce the impact of agriculture-related non-point sources of pollution in the Skaneateles and Owasco, New York watersheds; $500,000 for the Great Lakes Basin Program for Soil and Erosion Sediment Control; $250,000 for technical assistance to the Westchester Soil and Conservation District for a partnership with the Environmental Protection Agency to address land use and water quality issues affecting the Long Island Sound; and $250,000 for technical assistance for environmental restoration activities for Beaver Swamp Brook.

The Committee urges the Natural Resources Conservation Service to provide support to initiate work on Main Ditch #1, Poinsett County, Arkansas.

The Committee encourages the NRCS to work with Branch County, Michigan to digitize county soil maps.

The House report accompanying the fiscal year 1998 agriculture appropriations bill expressed concern over the fact that while the conservation operations program accounts for 80 percent of the Natural Resources Conservation Service appropriations that little or no accountability is shown for how these funds are used by the agency. Specifically, the Committee is concerned about the American Heritage Rivers Initiative (AHRI) for which funding has never been requested from the Congress. The Committee requests a report by December 15, 1998 on the following: total expenditures on the American Heritage River Initiative by fiscal year; a list of all activities being carried out and/or planned in support of the AHRI and their associated costs; and the number of personnel assigned to work on this initiative and the amount of their time spent working on this initiative.

Funds for the American Heritage Rivers Initiative, the Urban Resources Partnership and the Northwest Salmon Recovery Initiative are not available until justification and reprogram requests are approved. In addition, specific line item requests for the American Heritage Rivers Initiative, the Urban Resources Partnership, the Northwest Salmon Initiative and any other initiative are to be included in the fiscal year 2000 request under the conservation operations account.

The Committee recognizes the participation of the NRCS in the Urban Resources Partnership. The Urban Resources Partnership (URP) is a multi-agency effort to assist urban and suburban communities to improve management and conservation of their natural resources. It has served as a catalyst to encourage local communities to participate in conservation activities. The Committee expects that the NRCS will continue their participation in URP.

The Committee directs the agency to provide an additional $300,000 for work on erosion control from wetland plants in Louisiana.

The Committee expects the agency to maintain the fiscal year 1998 funding and staffing levels in support of Chesapeake Bay activities.

The Committee urges the NRCS to allocate environmental quality incentives program (EQIP) funds to the maximum extent possible to conduct voluntary on-farm assessments for the pork industry's On-Farm Odor/Environmental Assistance Program.

The Committee is concerned that an additional bureaucratic layer has been added to the NRCS. The Committee directs the agency to provide a report to the Committee on Appropriations of the House of Representatives on the activities, mission, and oversight authority of the Natural Resources Conservation Service regional offices. This report shall be provided to the Committee along with the agency's fiscal year 2000 budget submission.

The Committee expects the agency's cost of providing technical assistance to the EQIP will be fully funded within the EQIP as provided in the Federal Agriculture Improvement Reform Act of 1996.

The Committee expects that the NRCS portion of the National Water Management Center will be funded at a level no less than the amount available for fiscal year 1998.

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

The Committee directs the NRCS to continue support of ground water activities in eastern Arkansas and programs related to Boeuf-Tensas.

The Committee understands that the NRCS has accepted the responsibility for structural deficiencies in a pipeline in the Powder Valley Water Control District in Oregon. The Committee expects the NRCS to repair the pipeline so as not to render the pipeline useless.

The Committee is concerned that the cover crop requirement of the Conservation Reserve Program (CRP) signup in several states has become increasingly detailed, diverse, complex and expensive for landowners and taxpayers. Consequently, the Committee is concerned that intended environmental incentives have been weakened. The Committee encourages State Technical Committees to give serious consideration to the cost of establishing covers compared to the benefits derived from these covers. State Technical Committees should recommend cover enhancement practices that result in fair and reasonable costs to producers. The Committee encourages the Department to provide as much flexibility as possible to producers in the timing of cover establishment and the seeding options offered to producers. In determining cover requirements, the Department should seek to minimize the costs to producers.

WATERSHED SURVEYS AND PLANNING

1998 appropriation	$11,190,000
1999 budget estimate	(1)
Provided in the bill	9,545,000
Comparison:	
1998 appropriation	−1,645,000
1999 budget estimate	+9,545,000

[1] Proposed to be funded under conservation operations.

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

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

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

COMMITTEE PROVISIONS

For Watershed Surveys and Planning, the Committee provides an appropriation of $9,545,000, a decrease of $1,645,000 below the amount available for fiscal year 1998. The budget request proposed to fund these activities under conservation operations.

WATERSHED AND FLOOD PREVENTION OPERATIONS

1998 appropriation	$101,036,000
1999 budget estimate	[1] 49,000,000
Provided in the bill	97,850,000
Comparison:	
1998 appropriation	−3,186,000
1999 budget estimate	+48,850,000

[1] Technical assistance proposed to be funded under conservation operations.

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

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

COMMITTEE PROVISIONS

For Watershed and Flood Prevention Operations, the Committee provides an appropriation of $97,850,000, a decrease of $3,186,000 below the amount available for fiscal year 1998 and an increase of $48,850,000 above the budget request. Language is included which limits the amount spent on technical assistance to not more than $47,000,000. The Committee expects more funding to be spent on completing ongoing projects and reducing the backlog of watershed projects.

The Committee is aware of and expects progress to continue on the following projects: New Town Hoffman Flood Control Project in Chemung County, New York; the four pilot projects in North Florida related to dairy and poultry cleanup efforts; Tulpehocken Creek Watershed Project in Berks County and Lebanon County, Pennsylvania; the 5–D Project in Yadkin County, North Carolina; the Stillwater Creek Flood Project in Oklahoma; and the Deadman Creek/Bullard Creek Watershed Project in Lake County, Oregon.

RESOURCE CONSERVATION AND DEVELOPMENT

1998 appropriation	$34,377,000
1999 budget estimate	34,377,000
Provided in the bill	35,000,000
Comparison:	
1998 appropriation	+623,000
1999 budget estimate	+623,000

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 PROVISIONS

For Resource Conservation and Development, the Committee provides an appropriation of $35,000,000, an increase of $623,000 above the amount available for fiscal year 1998 and an increase of $623,000 above the budget request. The Committee expects the USDA to fund new RC&D areas.

FORESTRY INCENTIVES PROGRAM

1998 appropriation	$6,325,000
1999 budget estimate	.....
Provided in the bill	.....
Comparison:	
1998 appropriation	−6,325,000
1999 budget estimate	.....

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

COMMITTEE PROVISIONS

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

TITLE III—RURAL DEVELOPMENT PROGRAMS

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

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

OFFICE OF THE UNDER SECRETARY FOR RURAL DEVELOPMENT

1998 appropriation	$588,000
1999 budget estimate	611,000
Provided in the bill	611,000
Comparison:	
1998 appropriation	+23,000
1999 budget estimate	

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

COMMITTEE PROVISIONS

For the Office of the Under Secretary for Rural Development, the Committee provides an appropriation of $611,000, an increase of $23,000 above the amount available for fiscal year 1998 and the same as the budget request.

The Committee expects the Department to give consideration to the following projects or organizations requesting assistance under the Rural Community Advancement Program and other rural development programs: capacity building to assist rural communities in the states of New York and Florida (through the Florida Counties Foundation) to access state and Federal programs to address needs in rural areas; the Ohio Rural Enterprise Program; a water purification system for the City of Plaquemine, cleanup of atrazine concentration for water district 3 in Iberville Parish, and improvements to the Colyell water system, Livingston Parish, (Louisiana); an energy cooperative development program in conjunction with

the State of California Energy Commission, assistance to the Sacramento Valley Resource Conservation and Development District (California) to establish a nature tourism program; a participation loan program and labor market analysis for the Tehama (California) Local Development Corporation for small business development; designation of Tehama County (California) as a Champion Community; the Lake Marion (South Carolina) Regional Water Agency potable water program; continued support for the St. Johns-New Madrid (Missouri) Floodway Flood Control Project; construction of the Lincoln County (Georgia) Conference Center; the Paseo del Canon drainage canal, Taos, New Mexico redirection of storm waters; Rural Enterprises, Inc., Durant, OK., for rural economic development; The Enterprise Center, Bradford County (Pennsylvania) for rural economic and business development; the Lackawanna Junior College (Pennsylvania) job training program; the New River Valley Planning District (Virginia) Commission's Jacksonville Center small business incubator project; feasibility studies by Wytheville Community College, Southwest Virginia Community College and Mountain Empire Community College (Virginia) for small business incubators; revolving loan funds for the Fayette County Industrial Development Corporation, the City of Scottsburg and the City of Aurora (Indiana); the Central Valley (California) Assessment Project for current and long-term trends in agriculture; the Northeast Entrepreneur Fund expansion of financial and technical assistance to businesses in northeastern Minnesota; the Western Massachusetts Food Processing Center; the Western Massachusetts Industrial Development Equity Pool; the Self Help Credit Union Emerging Rural Enterprises Loan Fund in North Carolina; the Kentucky Highlands Investment Corporation venture capital fund expansion; the Mountain Association for Community Economic Development (Kentucky) Strategic Capital Fund; the Lee County (Kentucky) Vegetable Co-op facility expansion program; the Secondary Wood Industry Revolving Loan Fund in the Cumberland Valley (Kentucky) Development District; the Hermiston (Oregon) Development Corporation surface water feasibility study; the Northumberland County (Pennsylvania) Multi-Use Industrial Park; the Fulton County (Pennsylvania) Medical Center reconstruction project; County of Lamar (Alabama) engineering and design of drinking water project; improvements to the Battle Mountain (Nevada) wastewater treatment facility; the Pine River Irrigation District domestic water system in LaPlata County (Colorado); the Lonoke/White County (Arkansas) water supply project and the Arkansas State University value-added export center; acquisition of a new water tank and the replacement of old water lines by the Town of Trinity, Morgan County (Alabama); the Renewable Research Institute (multi-state) development and commercialization of value-added products; and the Connecticut Energy Cooperative.

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

The Committee encourages the Department to assist appropriate organizations in planning and establishing a national farmers' marketing cooperative.

The Committee is aware of critical water supply problems in the Municipality of Carolina, Puerto Rico and has provided bill language allowing the municipality to be eligible for assistance under the rural water and sewer programs.

The Committee also provides bill language making the city of Big Spring, Texas eligible for rural housing programs of the Rural Housing Service. An anomaly in the calculation of the city's population caused by the presence of several Federal facilities currently makes the city ineligible for rural housing assistance.

The Committee has been informed of unintentional effects of certain definitions regarding eligibility for rural development programs in the Federal Agriculture Improvement and Reform Act of 1996. USDA reports that some rural entities that would otherwise be eligible for loans and grants are now ineligible as a result of these definitions. USDA reports that the problem appears to be most acute in the northeast, but other states such as Missouri and Illinois have also reported problems. USDA also reports that in New Jersey, the number of eligible areas has been reduced by 55 percent. The Committee has provided bill language to suspend certain eligibility definitions for fiscal year 1999. The Committee directs USDA to work with the authorizing Committees to address this problem and develop appropriate solutions.

The Committee supports efforts to develop capacity and expects the Secretary to develop regulations to develop the capacity and ability of private, non-profit community-based housing and community development organizations, and rural communities to undertake projects to improve housing, community facilities, community and economic development projects in rural areas. The Committee expects this program to be available to qualified national and multi-state private, non-profit intermediary organizations that propose to carry out a program of technical assistance to eligible entities that includes loans, grants or pre-development assistance. The intermediary organizations would provide matching funds from other sources in an amount not less than Federal funds. The Committee expects the Department to publish the regulations in final form not later than September 30, 1999.

The Committee understands that the Rural Utility Service has approved a grant application and a loan application for the City of Gridley, California. Because the project will provide sewer benefits to the community as a whole, the Committee directs the Service to allow the debt service on the loan to be allocated to all users in the sewer service area through a Certificate of Participation.

RURAL COMMUNITY ADVANCEMENT PROGRAM

1998 Appropriations	$652,197,000
1999 Budget estimate	715,172,000
Provided in the bill	745,172,000
Comparison:	
1998 appropriation	+92,975,000
1999 budget estimate	+30,000,000

The Rural Community Advancement Program [RCAP], authorized by the Federal Agriculture Improvement and Reform Act of 1996 (Public Law 104–127), consolidates funding for the following programs: direct and guaranteed water and waste disposal loans,

water and waste disposal grants, emergency community water assistance grants, solid waste management grants, direct and guaranteed community facility loans, community facility grants, direct and guaranteed business and industry loans, rural business enterprise grants, and rural business opportunity grants. This proposal is in accordance with the provisions set forth in the Federal Agriculture Improvement and Reform Act of 1996, Public Law 104–127. Consolidating funding for these 12 rural development loan and grant programs under RCAP will provide greater flexibility to tailor financial assistance to applicant needs.

With the exception of the 10 percent in the "National office reserve" account and the 3 percent of the funding in the "Federally recognized Indian tribe" account, funding will be allocated to rural development State directors for their priority setting on a State-by-State basis. State directors are authorized to transfer not more than 25 percent of the amount in the account that is allocated for the State for the fiscal year to any other account in which amounts are allocated for the State for the fiscal year, with up to 10 percent of funds allowed to be reallocated nationwide.

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

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

The Rural Business and Industry Loans Program was created by the Rural Development Act of 1972, and finances a variety of rural industrial development loans. Loans are made for rural industrialization and rural community facilities under Rural Development Act amendments to the Consolidated Farm and Rural Development Act authorities. Business and industrial loans are made to public, private, or cooperative organizations organized for profit, to certain Indian tribes, or to individuals for the purpose of improving, developing or financing business, industry, and employment or improving the economic and environmental climate in rural areas. Such purposes include financing business and industrial acquisition, con-

struction, enlargement, repair or modernization, financing the purchase and development of land, easements, rights-of-way, buildings, payment of startup costs, and supplying working capital. Industrial development loans may be made in any area that is not within the outer boundary of any city having a population of 50,000 or more and its immediately adjacent urbanized and urbanizing areas with a population density of more than 100 persons per square mile. Special consideration for such loans is given to rural areas and cities having a population of less than 25,000.

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

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

The water and waste disposal program is authorized by several actions, including sections 306, 306A, 309A, and 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq., as amended). This program makes loans for water and waste development costs. Development loans are made to associations, including corporations operating on a nonprofit basis, municipalities and similar organizations, generally designated as public or quasipublic agencies that propose projects for the development, storage, treatment, purification, and distribution of domestic water or the collection, treatment, or disposal of waste in rural areas. Such grants may not exceed 75 percent of the development cost of the projects and can supplement other funds borrowed or furnished by applicants to pay development costs.

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

COMMITTEE PROVISIONS

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

RURAL COMMUNITY ADVANCEMENT PROGRAM

[Budget authority in thousands of dollars]

	FY 1998 level	FY 1999 estimate	Committee provisions
Housing:			
Community facility loans:			
Guaranteed	$613	0	0
Direct	17,273	$27,480	$27,480
Community facility grants	9,176	8,237	8,237
Subtotal, housing	27,062	35,717	35,717
Business:			
Business and industry loans:			
Guaranteed	9,700	10,200	10,200
Direct	0	0	0
Rural business enterprise grants	38,193	40,300	40,300
Rural business opportunity grants	0	0	0
Subtotal, business	47,893	50,500	50,500
Utilities:			
Water and waste disposal loans:			
Guaranteed	0	0	0
Direct	67,442	126,209	156,209
Water and waste disposal grants	507,200	500,000	500,000
Solid waste management grants	2,600	2,746	2,746
Subtotal, utilities	577,242	628,955	658,955
Total, loans and grants	$652,197	$715,172	$745,172

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.

RURAL HOUSING INSURANCE FUND PROGRAM ACCOUNT

ESTIMATED LOAN LEVEL

1998 loan level	($4,219,527,000)
1999 budget estimate	(4,347,116,000)
Provided in the bill	(4,235,601,000)
Comparison:	
1998 loan level	(+16,074,000)
1999 budget estimate	(−111,515,000)

This fund was established in 1965 (Public Law 89–117) pursuant to Section 517 of Title V of the Housing Act of 1949, as amended. This fund may be used to insure or guarantee rural housing loans for single family homes, rental and cooperative housing, farm labor housing, and rural housing sites. Rural housing loans are made to construct, improve, alter, repair or replace dwellings and essential farm service buildings that are modest in size, design, and cost. Rental housing insured loans are made to individuals, corporations, associations, trusts, or partnerships to provide moderate-cost rental housing and related facilities for elderly persons in rural areas. These loans, made with funds advanced by private lenders, are repayable in not to exceed 30 years. Farm labor housing insured loans are made either to a farm owner or to a public or private nonprofit organization to provide modest living quarters and related facilities for domestic farm labor. Loan programs are limited to rural areas which include towns, villages, and other places of not more than 10,000 population, which are not part of an urban area. Loans may also be made in areas with a population in excess of 10,000, but less than 20,000, if the area is not included in a standard metropolitan statistical area and has a serious lack of mortgage credit for low- and moderate-income borrowers.

COMMITTEE PROVISIONS

[In thousands of dollars]

	FY 1998 level	FY 1999 estimate	Committee provisions
Rural Housing Insurance Fund Program Account:			
Low-income family housing (sec 502):			
Direct	($1,000,000)	($1,000,000)	($930,600)
Unsubsidized guaranteed	(3,000,000)	(3,000,000)	(3,000,000)
Rental housing (sec 515)	(128,640)	(100,000)	(100,000)
Multi-family guaranteed (sec. 538)	(19,700)	(150,000)	(125,000)
Housing repair (sec 504)	(30,000)	(25,001)	(25,001)
Farm labor (sec 514)	(15,000)	(32,108)	(20,000)
Credit sales of acquired property	(25,000)	(30,007)	(25,000)
Site loans (sec 524)	(600)	(5,000)	(5,000)
Self-help housing land development fund	(587)	(5,000)	(5,000)
Total, loan authorization	($4,219,527)	($4,347,116)	($4,235,601)

ESTIMATED LOAN SUBSIDY AND ADMINISTRATIVE EXPENSES LEVELS

	Direct loan subsidy	*Guaranteed loan subsidy*	*Administrative expenses*
1998 appropriation	$218,042,000	$8,100,000	$354,785,000
1999 budget estimate	196,935,000	6,180,000	367,857,000
Provided in the bill	181,255,000	5,600,000	354,785,000
Comparison:			
1998 appropriation	−37,787,000	−2,500,000	.....

	Direct loan subsidy	*Guaranteed loan subsidy*	*Administrative expenses*
1999 budget estimate	−15,680,000	−580,000	−13,072,000

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

COMMITTEE PROVISIONS

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

The following table reflects the cost of the loan programs under credit reform. In many cases, changes from the fiscal year 1998 amount reflect changes in the loan subsidy rates as set by OMB.

[In thousands of dollars]

	FY 1998 level	FY 1999 estimate	Committee provisions
Loan subsidies:			
Single family (sec 502):			
Direct	$128,100	$118,200	$110,000
Unsubsidized guaranteed	6,900	2,700	2,700
Housing repair (sec 504)	10,300	8,808	8,808
Farm labor (sec 514)	7,388	16,706	10,406
Rental housing (sec 515)	68,745	48,250	48,250
Multi-family guaranteed (sec. 538)	1,200	3,480	2,900
Credit sales of acquired property	3,492	4,672	3,492
Housing site dev. (sec 524)	0	17	17
Self-help housing land development fund	17	282	282
Total, Loan subsidies	$226,142	$203,115	$186,855
RHIF expenses:			
Administrative expenses	$354,785	$367,857	$354,785

RENTAL ASSISTANCE PROGRAM

1998 appropriation	$541,397,000
1999 budget estimate	583,397,000
Provided in the bill	583,397,000
Comparison:	
1998 appropriation	+42,000,000
1999 budget estimate	.....

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

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

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

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

COMMITTEE PROVISIONS

For the Rental Assistance Program, the Committee provides a program level of $583,397,000, an increase of $42,000,000 above the amount available in fiscal year 1998 and the same as the budget request.

MUTUAL AND SELF-HELP HOUSING GRANTS

1998 appropriation	$26,000,000
1999 budget estimate	26,000,000
Provided in the bill	26,000,000
Comparison:	
1998 appropriation	
1999 budget estimate	

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

COMMITTEE PROVISIONS

For Mutual and Self-Help Housing Grants, the Committee provides an appropriation of $26,000,000, the same amount as available in fiscal year 1998 and the same as the budget request.

RURAL COMMUNITY FIRE PROTECTION GRANTS

1998 appropriation	$2,000,000
1999 budget estimate	0
Provided in the bill	0
Comparison:	
1998 appropriation	−2,000,000
1999 budget estimate	

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

COMMITTEE PROVISIONS

Funding for rural community fire protection grants in fiscal year 1999 has been requested in the budget of the Forest Service.

RURAL HOUSING ASSISTANCE GRANTS

1998 appropriation	$45,720,000
1999 budget estimate	46,900,000
Provided in the bill	41,000,000
Comparison:	
1998 appropriation	−4,720,000
1999 budget estimate	−5,900,000

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

Rural Housing for Domestic Farm Labor grants are provided to public or private nonprofit organizations or other eligible organizations for low-rent housing and related facilities for domestic farm labor.

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

The Very Low-Income Housing Repair Grants program is authorized under Section 504 of Title V of the Housing Act of 1949, as amended. The program makes grants to very low-income families to make necessary repairs to their homes in order to make such dwellings, safe and sanitary, and remove hazards to the health of the occupants, their families, or the community. A grant can be made in combination with a Section 504 very low-income housing repair loan.

Rural Housing Preservation Grants are used for home repair for low- and very low-income people. The purpose of the preservation program is to improve the delivery of rehabilitation assistance by employing the expertise of housing organizations at the local level. Eligible applicants will compete on a state-by-state basis for grants funds. These funds may be administered as loans, loan write-downs, or grants to finance home repair. The program is administered by local grantees.

Compensation for Construction Defects provides funds for grants to eligible section 502 borrowers to correct structural defects, or to pay claims of owners arising from such defects on a newly constructed dwelling purchased with RHS financial assistance.

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

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

COMMITTEE PROVISIONS

For the Rural Housing Assistance Grants program, the Committee provides an appropriation of $41,000,000, a decrease of $4,720,000 below the amount provided for fiscal year 1998 and a decrease of $5,900,000 below the budget request.

SALARIES AND EXPENSES

	Administrative expenses	*Transfers*	*Total expenses*
1998 level	$57,958,000	($354,785,000)	($412,743,000)
1999 budget estimate	60,978,000	(367,857,000)	(428,835,000)
Provided in the bill	57,958,000	(354,785,000)	(412,743,000)
Comparison:			
1998 level			
1999 budget estimate	−3,020,000	(−13,072,000)	(−16,092,000)

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

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

COMMITTEE PROVISIONS

For Salaries and Expenses of the Rural Housing Service, the Committee provides an appropriation of $57,958,000, the same as the amount available for fiscal year 1998 and a decrease of $3,020,000 below the budget request.

RURAL BUSINESS-COOPERATIVE SERVICE

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

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

available to all segments of the rural community, with emphasis on those most in need.

RURAL DEVELOPMENT LOAN FUND PROGRAM ACCOUNT

ESTIMATED LOAN LEVEL

1998 loan level	($35,000,000)
1999 budget estimate	(35,000,000)
Provided in the bill	(35,000,000)
Comparison:	
1998 loan level	(.....)
1999 budget estimate	(.....)

The rural development (intermediary relending) loan program was originally authorized by the Economic Opportunity Act of 1964 (Public Law 88–452). The making of rural development loans by the Department of Agriculture was reauthorized by Public Law 99–425, the Human Services Reauthorization Act of 1986.

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

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

COMMITTEE PROVISIONS

For the Rural Development Loan Fund Program Account, the Committee provides for a loan level of $35,000,000, the same as provided in fiscal year 1998 and the same as the budget request.

ESTIMATED LOAN SUBSIDY AND ADMINISTRATIVE EXPENSES LEVELS

	Direct loan subsidy	*Administrative expenses*
1998 appropriation	$16,888,000	$3,482,000
1999 budget estimate	17,622,000	3,547,000
Provided in the bill	17,622,000	3,499,000
Comparison:		
1998 appropriation	+734,000	+17,000
1999 budget estimates	.....	−48,000

RURAL ECONOMIC DEVELOPMENT LOANS PROGRAM ACCOUNT

ESTIMATED LOAN LEVEL

1998 loan level	($25,000,000)
1999 budget estimate	(15,000,000)
Provided in the bill	(15,000,000)
Comparison:	
1998 loan level	(−10,000,000)
1999 budget estimate	(.....)

The rural economic development loans program was established by the Reconciliation Act of December 1987 (P.L. 100–203), which amended the Rural Electrification Act of 1936, by establishing a new section 313. This section of the Rural Electrification Act (7

U.S.C. 901) established a cushion of credits payment program and created the rural economic development subaccount. The Administrator of RUS is authorized under the Act to utilize funds in this program to provide zero interest loans to electric telecommunications borrowers for the purpose of promoting rural economic development and job creation projects, including funding for feasibility studies, start-up costs, and other reasonable expenses for the purpose of fostering rural economic development.

COMMITTEE PROVISIONS

For the Rural Economic Development Loans Program Account, the Committee provides for a loan level of $15,000,000, a decrease of $10,000,000 below the level for fiscal year 1998 and the same as the budget request.

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

ESTIMATED LOAN SUBSIDY AND ADMINISTRATIVE EXPENSES LEVELS

	Direct loan subsidy
1998 appropriation	$5,978,000
1999 budget estimate	3,783,000
Provided in the bill	3,783,000
Comparison:	
1998 appropriation	−2,195,000
1999 budget estimate	

ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION REVOLVING FUND

COOPERATIVE AGREEMENTS

1998 appropriation	$7,000,000
1999 budget estimate	10,000,000
Provided in the bill	
Comparison:	
1998 appropriation	−7,000,000
1999 budget estimate	−10,000,000

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

COMMITTEE PROVISIONS

The Committee does not provide funding for the Alternative Agricultural Research and Commercialization Revolving Fund for fiscal year 1999.

The Committee notes that, according to USDA, $34,237,629 has been invested in AARC with only $247,713.75 in repayments from its beginning in 1993 through the end of fiscal year 1997.

RURAL COOPERATIVE DEVELOPMENT GRANTS

1998 appropriation	$3,000,000
1999 budget estimate	5,700,000
Provided in the bill	3,300,000
Comparison:	
1998 appropriation	+300,000
1999 budget estimate	−2,400,000

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

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

COMMITTEE PROVISIONS

For Rural Cooperative Development Grants, the Committee provides an appropriation of $3,300,000, an increase of $300,000 above the amount available in fiscal year 1998 and a decrease of $2,400,000, below the budget request.

Of the funds provided, not to exceed $1,300,000 is provided for a cooperative agreement for the Appropriate Technology Transfer for Rural Areas (ATTRA) program.

SALARIES AND EXPENSES

	Appropriation	*Transfer from loan accounts*	*Total, RBS, S&E*
1998 appropriation	$25,680,000	($3,482,000)	($29,162,000)
1999 budget estimate	26,396,000	(3,547,000)	(29,943,000)
Provided in the bill	25,680,000	(3,499,000)	(29,179,000)
Comparison:			
1998 appropriation		(+17,000)	(+17,000)
1999 budget estimate	−716,000	(−48,000)	(−764,000)

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

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

COMMITTEE PROVISIONS

For Salaries and Expenses of the Rural Business-Cooperative Development Service, the Committee provides an appropriation of $25,680,000, the same amount as provided in fiscal year 1998 and a decrease of $716,000 below the budget request.

RURAL UTILITIES SERVICE

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

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

RURAL ELECTRIFICATION AND TELECOMMUNICATIONS LOANS PROGRAM ACCOUNT

ESTIMATED LOAN LEVEL

1998 loan level	($1,420,000,000)
1999 budget estimate	(1,075,000,000)
Provided in the bill	(1,561,500,000)
Comparison:	
1998 loan level	+141,500,000
1999 budget estimate	+486,500,000

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

COMMITTEE PROVISIONS

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

	FY 1998 enacted	FY 1999 estimate	Committee provisions
Rural electrification and telecommunications loans program account.			
Loan authorizations:			
Direct loans:			
Electric 5%	($125,000,000)	($55,000,000)	($71,500,000)
Telecommunications 5%	(75,000,000)	(50,000,000)	(75,000,000)
Treasury rate: Telecommunications	(300,000,000)	(300,000,000)	(300,000,000)

	FY 1998 enacted	FY 1999 estimate	Committee provisions
Muni-rate: Electric	(500,000,000)	(250,000,000)	(295,000,000)
Subtotal	(1,000,000,000)	(655,000,000)	(741,500,000)
FFB loans:			
Electric, regular	(300,000,000)	(300,000,000)	(700,000,000)
Telecommunications	(120,000,000)	(120,000,000)	(120,000,000)
Subtotal	(420,000,000)	(420,000,000)	(820,000,000)
Total, Loan authorizations	($1,420,000,000)	($1,075,000,000)	($1,561,500,000)

ESTIMATED LOAN SUBSIDY AND ADMINISTRATIVE EXPENSES LEVEL

	FY 1998 enacted	FY 1999 estimate	Committee provisions
Loan subsidies:			
Direct loans:			
Electric 5%	$9,325,000	$7,172,000	$9,325,000
Telecommunications 5%	2,940,000	4,895,000	7,342,000
Treasury rate: Telecommunications	60,000	810,000	810,000
Muni-rate: Electric	21,100,000	21,900,000	25,842,000
FFB loans: Regular Electric	2,760,000	0	0
Total, Loan subsidies	36,185,000	34,777,000	43,319,000
RETLP administrative expenses	29,982,000	32,000,000	29,982,000
Total, Rural electrification and telecommunications loans program account	$66,167,000	$66,777,000	73,301,000
(Loan authorization)	($1,420,000,000)	($1,075,000,000)	($1,561,500,000)

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

RURAL TELEPHONE BANK PROGRAM ACCOUNT

ESTIMATED LOAN LEVEL

1998 loan level	($175,000,000)
1999 budget estimate	(175,000,000)
Provided in the bill	(175,000,000)
Comparison:	
1998 loan level	(.....)
1999 budget estimate	(.....)

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

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

COMMITTEE PROVISIONS

For the Rural Telephone Bank, the Committee provides for a loan level of $175,000,000, the same as the level for fiscal year 1998 and the same as the budget request.

The Committee includes the same provision from the fiscal year 1998 bill which limits the retirement of the Class A stock of the Rural Telephone Bank.

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

ESTIMATED LOAN SUBSIDY AND ADMINISTRATIVE EXPENSES LEVELS

	Direct loan subsidy	*Administrative expenses*
1998 appropriation	$3,710,000	$3,000,000
1999 budget estimate	(1)	(2)
Provided in the bill	4,638,000	3,000,000
Comparison:		
1998 appropriation	+928,000	.....
1999 budget estimate	.....	.....

[1] up to $4,638,000 is to be derived by transfer from unobligated balances in the Rural Telephone Bank Liquidating Account.

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

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

DISTANCE LEARNING AND TELEMEDICINE PROGRAM

	Loan level	*Subsidy level*	*Grants*
1998 appropriation	$150,000,000	$30,000	$12,500,000
1999 budget estimate	150,000,000	180,000	15,000,000
Provided in the bill	150,000,000	180,000	10,000,000
Comparison:			
1998 appropriation	.....	+150,000	−2,500,000
1999 budget estimates	.....	.....	−5,000,000

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

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

COMMITTEE PROVISIONS

For the Distance Learning and Telemedicine Program, the Committee provides an appropriation of $10,180,000, a decrease of

$2,350,000 below the amount available for fiscal year 1998 and a decrease of $5,000,000 below the budget request.

The Committee expects the Department to give consideration to the following projects or organizations requesting assistance under the Distance Learning and Telemedicine Program: the Cayuga County (New York) Telecommunications Project, the Southeast Community College (Kentucky) expansion of the distance learning complex and respiratory/radiography program; the Indiana State University Degree Link program; and the San Bernardino County (California) Medical Center telemedicine program.

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

SALARIES AND EXPENSES

	Appropriation	*Transfer from loan accounts*	*Total, RUS, S&E*
1998 appropriation	$33,000,000	($32,982,000)	($65,982,000)
1999 budget estimate	33,445,000	(35,000,000)	(68,445,000)
Provided in the bill	33,000,000	(32,982,000)	(65,982,000)
Comparison:			
1998 appropriation			
1999 budget estimate	−445,000	(−2,018,000)	(−2,463,000)

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

Under Credit Reform, administrative costs associated with loan programs are appropriated to the program accounts for the Rural Electrification and Telecommunications Loans Fund and the Rural Telephone Bank fund. Appropriations to the salaries and expenses account will be for costs associated with grant programs.

COMMITTEE PROVISIONS

For Salaries and Expenses of the Rural Utilities Service, the Committee provides an appropriation of $33,000,000, the same as the amount available for fiscal year 1998 and a decrease of $445,000 below the budget request.

TITLE IV—DOMESTIC FOOD PROGRAMS

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

1998 appropriation	$554,000
1999 budget estimate	573,000
Provided in the bill	
Comparison:	
1998 appropriation	−554,000
1999 budget estimate	−573,000

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 PROVISIONS

The Committee has included no separate funding for the Office of the Under Secretary of Food, Nutrition and Consumer Services. The Administration annually requests additional funding for the Food and Nutrition Service which is the single agency for which the Under Secretary has oversight responsibility. Given the extremely tight funding situation and the need to maintain resources to the Food and Nutrition Service, the Committee has provided $554,000 for the Office of the Under Secretary for Food, Nutrition and Consumer Services within the Food Program Administration account for fiscal year 1999. This will enable the Administration to best decide where resources are needed. The $554,000 is the same amount for the Office of the Under Secretary for Food, Consumer and Nutrition Services in fiscal year 1998.

FOOD AND NUTRITION SERVICE

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

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

child care institutions which institute or expand milk service in order to increase the consumption of fluid milk by children.

Food Stamp Program.—This program is aimed at making more effective use of the Nation's food supply and at improving nutritional standards of needy persons and families, in most cases, through the issuance of food coupons which may be used in retail stores for the purchase of food. The program also includes nutrition assistance to Puerto Rico. The Omnibus Budget Reconciliation Act of 1981 (Public Law 97–35) authorized a block grant for nutrition assistance to Puerto Rico which gives the Commonwealth broad flexibility in establishing a food assistance program that is specifically tailored to the needs of its low-income households.

The program includes the Food Distribution Program on Indian Reservations which provides nutritious agricultural commodities to low-income persons living on or near Indian reservations who choose not to participate in the Food Stamp Program. The program also includes $100,000,000 for commodity purchases under the Emergency Food Assistance Program.

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

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

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

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

Nutritious agricultural commodities are also provided to residents of the Pacific Territory of Palau and Federated States of Micronesia and the Marshall Islands. Cash assistance is provided to distributing agencies to assist them in meeting administrative expenses incurred. Commodities or cash-in-lieu of commodities are provided to assist nutrition programs for the elderly.

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

Food Gleaning and Recovery.—Under this program FNS works with States and community-based groups to develop innovative ways of increasing the gleaning and recovery of wholesome food for human consumption.

Food Program Administration.—This account represents all salaries and Federal operating expenses of the Food and Nutrition Service and the Center for Nutrition Policy and Promotion (CNPP). As of September 30, 1997, there were 1,612 full-time permanent and 82 part-time and temporary employees in the agency. There were 585 in the Washington headquarters and 1,109 in the field, which includes 816 in seven regional offices and the balance in six food stamp compliance offices; one computer support center in Minneapolis, Minnesota; one administrative review office; and 70 field offices. The Center oversees improvements in and revisions to the food nutrition guidance systems. CNPP is the focal point for advancing and coordinating nutrition promotion and education policy to improve the health of all Americans.

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

CHILD NUTRITION PROGRAMS

	Direct appropriation	*Transfer from section 32*	*Total program level*
1998 appropriation	$2,616,425,000	($5,151,391,000)	($7,767,816,000)
1999 budget estimate	3,897,703,000	(5,332,194,000)	(9,229,897,000)
Provided in the bill	4,170,497,000	(5,048,150,000)	(9,218,647,000)
Comparison:			
1998 appropriation	+1,554,072,000	(−103,241,000)	(+1,450,831,000)
1999 budget estimate	+272,794,000	(−284,044,000)	(−11,250,000)

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

of reimbursement rates established by law and applied to lunches and breakfasts actually served by the states.

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

Summer Food Service Program (SFSP).—Reauthorized and expanded SFSP to private, nonprofit organizations under certain conditions.

School Breakfast Program (SBP).—Provided start-up grants for programs serving low-income children.

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

National School Lunch Program (NSLP).—(1) Mandated a unified system for compliance and accountability which would integrate Federal and state efforts and provide for increased Federal monitoring of SFSP operations. (2) Authorized the Food Service Management Institute to improve school food service operations.

Nutrition Education and Training (NET).—Required demonstration projects and studies to examine a number of program issues and increased the authorization level.

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

COMMITTEE PROVISIONS

For the Child Nutrition Programs, the Committee provides a total of $9,218,647,000, an increase of $1,450,831,000 above the amount available for fiscal year 1998 and a decrease of $11,250,000 below the budget request. Of the total amount provided, $4,170,497,000 is by direct appropriation and $5,048,150,000 is by transfer from section 32.

Child Nutrition Programs:	
School lunch program	$5,384,452,000
School breakfast program	1,396,955,000
Child and adult care food program	1,611,520,000
Summer food service program	294,414,000
Special milk program	18,055,000
State administrative expenses	118,074,000
Commodity procurement and computer support	370,029,000
School meals initiative	8,000,000
Food safety education	2,000,000
Coordinated review effort	4,300,000
Nutrition education and training	3,750,000
Computer support and procurement	7,098,000
Total	$9,218,647,000

The Committee provides $8,000,000 for the School Meals Initiative. Included in this amount is $4,000,000 for food service training

grants to states; $1,600,000 for technical assistance materials; $1,000,000 for the National Food Service Management Institute cooperative agreement for food service; $400,000 for print and electronic food service resource systems, and not more than $1,000,000 for other activities.

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

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

1998 appropriation	$3,924,000,000
1999 budget estimate	4,081,000,000
Provided in the bill	3,924,000,000
Comparison:	
1998 appropriation	
1999 budget estimate	−157,000,000

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

The Child Nutrition and WIC Reauthorization Act of 1989, Public Law 101–147, reauthorized and added a provision to the program as follows:

Cost Containment Initiatives to Expand Participation.—(1) Required state agencies with a retail food delivery system to use a competitive bidding system or a system with equal savings for the procurement of infant formula. Savings are to be used to expand program participation. (2) Permitted states with an approved cost containment system to use first quarter funds to cover obligations incurred during the fourth quarter of the preceding fiscal year.

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

COMMITTEE PROVISIONS

For the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), the Committee provides an appropriation of $3,924,000,000, the same as the amount available in fiscal year 1998 and a decrease of $157,000,000 below the budget request. The President's budget estimated a carryover in the WIC program of $130 million. The latest estimates from USDA indicate a carryover of $180 million. Through the first six months of fiscal year 1998, WIC participation has averaged 7.3 million per month. In addition, it is expected that the enactment of the WIC reauthorization bill will produce savings and promote efficiency in the program. The total includes up to $12,000,000 for the farmers' market nutrition program.

The Committee notes that the authorization for the WIC program is currently being addressed in the House Education and

Workforce Committee. The reauthorization bill addresses many of the major concerns about the WIC program including possible mismanagement, waste, fraud and abuse. The authorizing bill recommends: extending the program through 2003; requiring states to limit vendor participation by using prices charged for WIC foods in comparison to other store prices for same foods; increasing maximum penalties for vendor violations from $5,000 to $25,000; requiring physical presence and income documentation for program participants; enabling states to retain recoveries for a longer period to provide an incentive for more anti-fraud activity by states; codifying provisions eliminating state authority to spend forward unspent WIC food funds; disqualifying stores found to have trafficked in WIC coupons; and codifying a provision from the agriculture appropriations bill requiring states to award infant formula contracts to the company that offers the lowest net price.

The Committee is concerned that the WIC program remains vulnerable to fraud and abuse from vendors authorized to transact WIC food vouchers.

The Committee includes bill language requiring the Department of Agriculture to publish a final rule related to vendor fraud in the WIC program. The Department attempted to write vendor fraud rules in 1990, but withdrew the rules due to opposition. Since then, there has not been an attempt by the Department to promulgate rules on vendor fraud. Therefore, the bill language contains a provision that withholds $2,000,000 of funds appropriated to Food Program Administration until a final rule is implemented to address vendor fraud in the WIC program.

In order to contain costs in the WIC program, the Committee encourages the Department to urge States, in selecting retail stores for participation into the WIC program, to consider prices that stores charge for foods under the WIC program as compared to prices that other stores charge for the same foods. The Committee directs the Department to establish procedures to insure that any retail store selected for participation in the WIC program does not subsequently raise prices to levels that would otherwise make the store ineligible.

The Committee is concerned about the lack of accurate and timely information regarding spending in the WIC program. The Committee directs the USDA to reduce to 120 days the time period in which states are required to report on monthly obligation of funds.

During the appropriations hearing process, it became apparent to the Committee that the methodology and data used in the WIC program to attempt to estimate the number of eligibles, participation and funding levels are seriously flawed. The Committee directs the Department to review the methodology and data used by USDA to estimate participation and funding levels for the WIC program. The Committee expects a report, with recommendations for improvements, to the Committee on Appropriations of the House of Representatives no later than April 1, 1999.

The Committee has included two provisions requested by the President which gives the Secretary some flexibility in distributing WIC funds. The first provision provides for an adjustment of fiscal year 1999 state allocations by requiring the Secretary to reduce each state allocation by the amount of food funds that the state

chooses to spend forward from fiscal year 1998. The second provision addresses the reallocation of fiscal year 1998 recovered funds and allows the Secretary to allocate funds first to states to maintain stability funding levels and then to states whose funding is less than their fair share of funds.

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

FOOD STAMP PROGRAM

1998 appropriation	$25,140,479,000
1999 budget estimate	24,701,806,000
Provided in the bill	22,591,806,000
Comparison:	
1998 appropriation	−2,548,673,000
1999 budget estimate	−2,110,000,000

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

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

Authorized grocery stores accept the stamps as payment for food purchases and forward them to commercial banks for cash or credit. The stamps flow through the banking system to a Federal Reserve Bank for redemption out of a special account maintained by the U.S. Treasury Department. A major alternative to the paper food stamp system is Electronic Benefit Transfer (EBT). By the end of fiscal year 1997, twenty-five States had operating EBT systems. They are Alabama, Colorado, Connecticut, Georgia, Kansas, Idaho, Illinois, Iowa, Louisiana, Maryland, Massachusetts, Minniesta, Missouri, New Jersey, New Mexico, North Dakota, Ohio, Oklahoma, Oregon, Pennyslvania, South Carolina, South Dakota, Texas, Utah, and Wyoming. Eight of those were statewide: Kansas, Maryland, New Mexico, North Dakota, South Carolina, South Dakota, Texas and Utah. All other States are in some stage of planning or implementing their EBT systems.

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

ADMINISTRATIVE COSTS

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

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

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

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

COMMITTEE PROVISIONS

For the Food Stamp Program, the Committee provides an appropriation of $22,591,806,000, a decrease of $2,548,673,000 below the amount available for fiscal year 1998 and a decrease of $2,110,000,000 below the budget request. The total amount includes $100,000,000 for a contingency reserve in fiscal year 1999. The Committee provides $90,000,000 for the emergency food assistance program.

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

The President's Mid-session review of the budget states that "estimated outlays for food stamps are lower than in the budget by $0.7 billion in 1998 and $1.2 billion in 1999, reflecting a downward revision in average participation level and benefits costs." The fiscal year 1999 funding level for food stamps includes this $1.2 billion reduction.

The Committee is encouraged by the implementation of EBT systems around the country and supports the goal that all states must be operating an EBT system by 2002. The Committee directs the Secretary to report to the Committee, no later than 120 days after enactment of this Act, on efforts by the Food and Nutrition Service to ensure that all states will be operating an EBT system by 2002. The Committee remains concerned about security problems with EBT cards and directs the Secretary to report to the Committee on what is being done to ensure that EBT cards being issued include anti-fraud mechanisms such as fine line printing and holograms.

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

In addition, the Committee urges the agency to conduct more sweeps to detect ineligible retailers in the program. An Inspector General audit found that field offices have accepted reauthorization

applications without verifying significant changes in sales and did not remove prior store owners from the Store Tracking and Redemption System database. The Committee believes FNS must do more to identify ineligible retailers and remove them from the program. Verification of sales changes and updating the database are two methods that should be used to prevent fraud in the program.

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

Obesity and diseases resulting in part from obesity such as diabetes are serious and increasing problems for Native Americans. The Committee is concerned that the nutritional content of commodities provided to Native Americans through the Food Distribution Program on Indian Reservations may exacerbate the incidence of obesity and diabetes among Native Americans. The Committee encourages the continuation of consultations between USDA, the Indian Health Service (IHS), and the Centers for Disease Control and Prevention (CDC) to establish and undertake specific improvements in the program as recommended by IHS and CDC to improve the nutritional content of commodities and provide adequate nutrition education to Native Americans. The Department should report back to the Committee on Appropriations of the U.S. House of Representatives by January 15, 1999, on the outcome of the consultations and steps taken or that will be taken to make improvements in the program.

COMMODITY ASSISTANCE PROGRAMS

1998 appropriation	$141,000,000
1999 budget estimate	[1] 317,081,000
Provided in the bill	131,000,000
Comparison:	
1998 appropriation	−10,000,000
1999 budget estimate	−186,081,000

[1] Includes funding for TEFAP, Commodity Supplemental Food Program, Elderly Feeding Program, Pacific Island Assistance, WIC Farmers' Market Nutrition Program, and the Food Gleaning Program.

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

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

Food Gleaning and Recovery.—Under this program FNS works with States and community-based groups to develop innovative ways of increasing the gleaning and recovery of wholesome food for human consumption.

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

COMMITTEE PROVISIONS

The Committee provides an appropriation of $131,000,000 for the commodity assistance program. This is a decrease of $10,000,000 below the amount available for fiscal year 1998 and a decrease of $186,081,000 below the budget request.

The Committee notes that there is a $10,000,000 carryover in the Commodity Supplemental Food Program and has adjusted the appropriation by that amount.

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

The Committee believes that there is an abundant and affordable supply of surplus prepared food, but a lack of distribution and transportation capacity, especially refrigerated vehicles. The Committee urges the Department to explore and support programs that can initiate and expand food recovery and distribution.

FOOD DONATIONS PROGRAMS FOR SELECTED GROUPS

1998 appropriation	$141,165,000
1999 budget estimate	(1)
Provided in the bill	141,081,000
Comparison:	
1998 appropriation	−84,000
1999 budget estimate	+141,081,000

[1] The Administration's budget proposes to include $141,081,000 for these programs under the Commodity Assistance Program in FY 1999.

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

Pacific Island Assistance.—This program provides for a directly funded food distribution program for low-income individuals in the Pacific Island Territories. This program attempts to alleviate hunger and malnutrition in low-income households by providing nutritious agricultural commodities to eligible persons.

COMMITTEE PROVISIONS

For the Food Donations Programs for Selected Groups, the Committee provides an appropriation of $141,081,000, a decrease of $84,000 below the amount available for fiscal year 1998 and an increase of $141,081,000 above the budget request. Included in the amount is $140,000,000 for the nutrition program for the elderly.

FOOD PROGRAM ADMINISTRATION

1998 appropriation	$107,505,000
1999 budget estimate	111,848,000
Provided in the bill	108,311,000
Comparison:	
1998 appropriation	+806,000
1999 budget estimate	−3,537,000

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

The major objective of food program administration is to efficiently and effectively carry out the food assistance programs mandated by law. This is to be accomplished by the following: (1) giving clear and consistent guidance and supervision to state agencies and other cooperators; (2) assisting the states and other cooperators by providing program, managerial, financial, and other advice and expertise; (3) measuring, reviewing, and analyzing progress toward program objectives; and (4) carrying out regular staff support functions.

COMMITTEE PROVISIONS

For Food Program Administration, the Committee has provided $108,311,000, an increase of $806,000 above the amount available in fiscal year 1998 and a decrease of $3,537,000 below the budget request.

Included in this amount is $2,470,000 for the Center for Nutrition Policy and Promotion, an increase of $252,000 above the amount available for fiscal year 1998. The Committee has included funding to support the publication of the Dietary Guidelines for Americans.

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

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

The Committee reaffirms the critical need for USDA to be consistent when communicating nutrition advice and dietary guidance to the public. For example, rigid dietary recommendations for sugar intake, as reflected in the Food Guide Pyramid, contradict the latest scientific advice in the 1995 Dietary Guidelines. In written tes-

timony, USDA acknowledged that "while at first glance these two messages might appear to be inconsistent." That acknowledgement of inconsistency illustrates this point.

Unlike the Dietary Guidelines which must be reviewed by outside expert scientists every five years to ensure that they reflect the latest science, the Food Guide Pyramid has not been subject to a similar scientific review process since its initial 1992 publication.

The Committee expects the Secretary to review, evaluate and, where appropriate for scientific accuracy and consistency, revise the Food Guide Pyramid and all its accompanying explanatory materials, including the USDA Home & Garden Bulletin #252, as well as all pertinent children's educational materials, to ensure that it reflects identical scientific messages on dietary and nutritional behaviors as those in the Dietary Guidelines for Americans. The Committee further directs the Secretary to develop and present a plan for an external scientific review process of the Pyramid's content by outside experts to the Committee within 90 after the enactment of the fiscal year 1999 agriculture appropriations bill.

TITLE V—FOREIGN ASSISTANCE AND RELATED PROGRAMS

FOREIGN AGRICULTURAL SERVICE AND GENERAL SALES MANAGER

	Appropriation	*Transfer from loan accounts*	*Total, FAS*
1998 appropriation	$131,295,000	($4,266,000)	($135,561,000)
1999 budget estimate	141,087,000	(4,506,000)	(145,593,000)
Provided in the bill	131,295,000	(4,266,000)	(135,561,000)
Comparison:			
1998 appropriation		(.....)	(.....)
1999 budget estimate	−9,792,000	(−240,000)	(−10,032,000)

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

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

COMMITTEE PROVISIONS

For the Foreign Agricultural Service, the Committee provides an appropriation of $131,295,000 and transfers of $4,266,000 for a total program level of $135,561,000, the same as the amount available for fiscal year 1998 and a decrease of $10,032,000 below the budget request.

The Committee directs that any programs or operations administered by the Foreign Agricultural Service and funded through the Commodity Credit Corporation maintain that status in fiscal year 1999. No discretionary funds are provided to the Foreign Agricultural Service to convert CCC-funded programs to discretionary funding.

The Committee does not agree with the proposal to establish an account to manage currency fluctuations.

The Committee has provided bill language to allow no more than $140,000 annually in representation allowances. Previous bills have set a limit of $128,000 for this purpose. The increase reflects

the increased requirements placed on FAS by other USDA agencies participating in international programs.

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

The Committee also expects the Department to aggressively promote the export of U.S.-origin seafood products in its export credit guarantee and other export assistance programs.

PUBLIC LAW 480

PROGRAM AND GRANT ACCOUNTS

PUBLIC LAW 480 TITLE I PROGRAM ACCOUNT

The Federal Credit Reform Act of 1990 established the Program Account. Appropriations to this account are used to cover the lifetime subsidy cost associated with direct loans obligated in 1998 and beyond, as well as for administrative expenses.

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

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

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

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

Commodities supplied in connection with dispositions abroad (title II) (7 U.S.C. 1721–1726).—Commodities are supplied without cost through foreign governments to combat malnutrition and to meet famine and other emergency requirements. Commodities are also supplied for nonemergencies through public and private agencies, including intergovernmental organizations. The Commodity

Credit Corporation pays ocean freight on shipments under this title, and may also pay overland transportation costs to a landlocked country, as well as internal distribution costs in emergency situations. The funds appropriated for title II are made available to private voluntary organizations and cooperatives to assist these organizations in meeting administrative and related costs.

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

COMMITTEE PROVISIONS

The Committee commends the Agency for International Development and American private voluntary organizations for their efforts to increase Title II relief feeding for the poorest of the poor in non-emergency food aid programs. The Committee believes that close consultation among the administrators of the food aid programs, the private voluntary organizations and the Congress is essential to make the best possible use of scarce food aid resources.

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

	FY 1998 enacted	FY 1999 estimate	Committee provisions
Public Law 480 Program Account:			
Title I—Credit sales:			
Program level	($244,508,000)	($111,558,000)	($197,514,000)
Direct loans	(226,900,000)	(102,163,000)	(182,624,000)
Ocean freight differential	17,608,000	9,395,000	14,890,000
Loan subsidies	176,596,000	88,667,000	158,499,000
Title II—Commodities for disposition abroad:			
Program level	(837,000,000)	(837,000,000)	(837,000,000)
Appropriation	837,000,000	837,000,000	837,000,000
Title III—Commodity grants:			
Program level	(30,000,000)	(30,000,000)	(25,000,000)
Appropriation	30,000,000	30,000,000	25,000,000
Salaries and expenses:			
General Sales Manager	1,035,000	1,093,000	1,035,000
FSA	815,000	845,000	815,000
Subtotal	1,850,000	1,938,000	1,850,000
Total, Public Law 480:			
Program level	($1,111,508,000)	($978,558,000)	($1,059,514,000)
Appropriation	$1,063,054,000	$967,000,000	$1,037,239,000

CCC EXPORT LOANS PROGRAM ACCOUNT

	Guaranteed loan subsidy	*Administrative expenses*
1998 appropriation	[1] $407,630,000	$3,820,000
1999 budget estimate	[2] 253,000,000	4,085,000
Provided in the bill	252,500,000	3,820,000
Comparison:		
1998 appropriation	−155,130,000	.....
1999 budget estimate	−500,000	−265,000

[1] Subsidy needed to support a program level of $5,500,000,000.
[2] Subsidy needed to support a program level of $4,615,000,000.

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

The Federal Credit Reform Act of 1990 established the Program Account. Appropriations to this account will be used to cover the lifetime subsidy costs associated with the loan guarantees committed in 1999 and beyond, as well as for administrative expenses.

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

TITLE VI—RELATED AGENCIES AND FOOD AND DRUG ADMINISTRATION

DEPARTMENT OF HEALTH AND HUMAN SERVICES

FOOD AND DRUG ADMINISTRATION

SALARIES AND EXPENSES

	Appropriation	*User fee accounts*	*Total, FDA, S&E*
1998 appropriation	$857,501,000	($131,088,000)	($988,589,000)
1999 budget estimate	878,884,000	(141,230,000)	(1,020,114,000)
Provided in the bill	871,499,000	(141,230,000)	(1,012,729,000)
Comparison:			
1998 appropriation	+13,998,000	(+10,142,000)	(+24,140,000)
1999 budget estimate	−7,385,000	.....	(−7,385,000)

The programs of the Food and Drug Administration (FDA) are designed to achieve a single overall objective: consumer protection. FDA's mission is to ensure that: (1) food is safe, pure, and wholesome; (2) human and animal drugs, biological products, and medical devices are safe and effective; and (3) radiological products and use procedures do not result in unnecessary exposure to radiation.

To accomplish its mission, FDA: (1) sets food and product standards; (2) evaluates the safety and efficacy of new drugs and medical devices before they are marketed; (3) conducts and sponsors research studies to detect health hazards and violations of laws or regulations, to improve the agency's base of scientific knowledge in toxicology and other disciplines, and to promote development of orphan products; (4) informs business firms and consumers about FDA-related topics; (5) works with state and local agencies to develop programs that will supplement or complement those of FDA; (6) maintains surveillance over foods, drugs, medical devices and electronic products to ensure that they are safe, effective, and honestly labeled; and (7) takes legal action where necessary to remove violative products from the marketplace and to prosecute firms or individuals that violate the law.

Through its regulation of food, FDA protects and promotes the health of nearly every American by monitoring the food industry to safeguard against contamination by dangerous bacteria and molds and other natural and man-made toxins, and by regulating the safe use of veterinary drugs and feed additives to protect consumers against hazardous drug residues or by-products that may remain in meat. FDA also assures that consumers are not victimized by adulteration; promotes informative labeling to assist consumers in choosing foods; and examines imported foods to see that they meet the same standards as domestic products. FDA also provides leadership and assistance to the states and local authorities in conducting their responsibilities.

COMMITTEE PROVISIONS

For the Food and Drug Administration, the Committee provides a program level of $1,012,729,000, an increase of $24,140,000 above the amount available in fiscal year 1998 and a decrease of $7,385,000 below the budget request. The recommendation includes $126,845,000 for the Prescription Drug User Fee Act and $14,385,000 for the Mammography Quality Clinic Act. Of the amount for the Prescription Drug User Fee Act, $5,428,000 may be transferred to and merged with the FDA rental payments account.

The Committee has provided an increase of $2,500,000 for the Office of Cosmetics and Colors. The FDA recently announced significant reductions to its regulatory efforts related to cosmetics. The Committee disagrees with the elimination of this office. The Office of Cosmetics and Colors provides standards for both industry and consumers to assure the safety and effectiveness of products.

The Food and Drug Administration Modernization Act authorized a new pre-market notification system for food packaging materials. The current lengthy review process has resulted in significant lost sales to stakeholder companies. The outdated system causes decisions to not bring new products to market. The Committee provides $500,000 to begin the development of the new approval process system.

The Committee expects the Food and Drug Administration to report to Congress by April 1, 1999, on implementation of the Animal Drug Availability Act of 1996 (Pub. L. No. 104–250). The report should address, among other matters, submission numbers, approval numbers, and review times for various types of animal drug applications, making a distinction between food and non-food producing animals. The report also should address the types and numbers of studies, including field investigations, utilized in the approval of animal drug applications.

The Committee has provided an additional $250,000 for a total of $450,000 for the Office of Seafood Inspection for seafood safety and equivalency agreements for imported seafood. The amount includes $200,000, the same as fiscal year 1998, for a grant to the Interstate Shellfish Sanitation Commission.

Health care costs in the country have increased to extraordinary levels. One effort that could assist in addressing this problem is the quick approval of generic products. FDA must assure bioequivalency, but should review applications as quickly as possible. The Committee provides an increase of $1,000,000 for the Office of Generic Drugs to assist with accelerated approvals.

The Committee supports the food safety initiative and has provided an increase of $6,998,000 for this effort. The Committee expects the FDA to target these funds toward increased inspections of imported foods.

The FDA has requested an increase of $100,000,000 for its youth tobacco prevention initiative. While the Committee concurs with the desire to eliminate young peoples' use of tobacco products, the FDA should expect to receive any additional funds for this initiative from any settlement related to tobacco.

For fiscal year 1999, the Committee provides the following program accounts:

	Fiscal year 1998	Fiscal year 1999
Foods	$203,830,000	$214,078,000
Human drugs	199,305,000	200,305,000
Biologics	96,279,000	96,279,000
Animal drugs & feeds	41,973,000	41,973,000
Medical Devices	143,486,000	148,486,000
National Center for Toxicological Research	31,079,000	31,579,000
Tobacco	34,000,000	34,000,000
Other services including program management	81,694,000	78,944,000
Rent & related activities	25,855,000	25,855,000
Total	$857,501,000	$871,499,000

BUILDINGS AND FACILITIES

1998 appropriation	$21,350,000
1999 budget estimate	8,350,000
Provided in the bill	11,350,000
Comparison:	
1998 appropriation	−10,000,000
1999 budget estimate	+3,000,000

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

COMMITTEE PROVISIONS

For Buildings and Facilities of the Food and Drug Administration, the Committee provides an appropriation of $11,350,000, a decrease of $10,000,000 below the amount available for fiscal year 1998 and an increase of $3,000,000 above the budget request. The increase provided is to begin work on phase three of construction of the National Center for Toxicological Research.

RENTAL PAYMENTS (FDA)

1998 appropriation	$46,294,000
1999 budget estimate	[1] 88,294,000
Provided in the bill	[1] 88,294,000
Comparison:	
1998 appropriation	+42,000,000
1999 budget estimate	.....

[1] Includes $5,428,000 transfer from PDUFA.

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

COMMITTEE PROVISIONS

For Rental Payments of the Food and Drug Administration, the Committee provides an appropriation of $88,294,000, an increase of $36,572,000 above the amount available for fiscal year 1998 and the same as the budget request. Also, included is bill language authorizing $5,428,000 of Prescription Drug User Fee Act fees to be used for rental payments.

DEPARTMENT OF THE TREASURY

FINANCIAL MANAGEMENT SERVICE

PAYMENTS TO THE FARM CREDIT SYSTEM FINANCIAL ASSISTANCE CORPORATION

1998 appropriation	$7,728,000
1999 budget estimate	2,565,000
Provided in the bill	2,565,000
Comparison:	
1998 appropriation	−5,163,000
1999 budget estimate	

The Agricultural Credit Act of 1987 (Public Law 100–233) authorized such sums as necessary to be appropriated to the Secretary of the Treasury for Payment to the Farm Credit System Financial Assistance Corporation. These payments reimburse the Corporation for interest expenses on U.S. guaranteed debt issued by the Corporation. Assistance Corporation debt proceeds will be used to provide assistance to financially troubled System institutions. Beginning in fiscal year 1989, Treasury annually reimburses 100 percent of the Assistance Corporation interest expense incurred until January 1994. Between January 1994 and the ensuing five years, Treasury will reimburse up to 50 percent of the Assistance Corporation's interest expense, with System banks paying the balance. Thereafter all Assistance Corporation interest expense will be paid by System banks.

COMMITTEE PROVISIONS

For interest expenses incurred by the Farm Credit System Financial Assistance Corporation, the Committee provides an appropriation of $2,565,000, a decrease of $5,163,000 below the amount available for fiscal year 1998 and the same amount as the budget request.

INDEPENDENT AGENCIES

COMMODITY FUTURES TRADING COMMISSION

1998 appropriation	$58,101,000
1999 budget estimate	63,360,000
Provided in the bill	62,140,000
Comparison:	
1998 appropriation	+4,039,000
1999 budget estimate	−1,220,000

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

COMMITTEE PROVISIONS

For the Commodity Futures Trading Commission, the Committee provides an appropriation of $62,140,000, an increase of $4,039,000 above the amount available for fiscal year 1998 and a decrease of $1,220,000 below the budget request.

The Committee notes that the Commodity Futures Trading Commission is considering a proposal to permit electronic trading of certain financial futures. Advances in information technology which enable farmers, processors and manufacturers to better manage their finances and the risks inherent in agriculture should be promoted by the Commission. To assure farmers and others involved in agriculture timely access to technological advances in financial instruments, the Committee urges the Commission to act promptly on the proposal, judging it solely on merit.

FARM CREDIT ADMINISTRATION

LIMITATION ON ADMINISTRATIVE EXPENSES

1998 limitation	($34,423,000)
1999 budget estimate	(35,800,000)
Provided in the bill	(35,800,000)
Comparison:	
1998 limitation	(+1,377,000)
1999 budget estimate	(.....)

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

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

Federal Agricultural Mortgage Corporation through assessments, which are deposited in a special fund in the Treasury which is available for the use of the FCA.

COMMITTEE PROVISIONS

For a limitation on the expenses of the Farm Credit Administration, the Committee provides $35,800,000, an increase of $1,377,000 above the amount available for fiscal year 1998 and the same as the budget request.

TITLE VII—GENERAL PROVISIONS

Sections 701 through 723 of the General Provisions contained in the accompanying bill for fiscal year 1999 are fundamentally the same as those included in last year's appropriations bill.

Section 724. Language is included to allow funds from the Farm Service Agency, the Natural Resources Conservation Service and the Rural Development agencies to be used to support a staff office for common support services including the common computer system.

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

Section 726. Language is included to prohibit funds to carry out a Wildlife Habitat Incentives Program.

Section 727. Language is included to limit the amount of funds available for the Environmental Quality Incentives Program to $174,000,000.

Section 728. Language is included to limit enrollment of acres in the Wetlands Reserve Program to 130,000 acres.

Section 729. Language is included to limit the amount of funds available for The Emergency Food Assistance Program to $90,000,000.

Section 730. Language is included to prohibit funds from being used to carry out the Initiative for Future Agriculture and Food Systems.

Section 731. This provision makes the City of Big Spring, Texas eligible for programs of the Rural Housing Service.

Section 732. This provision makes the Municipality of Carolina, Puerto Rico eligible for assistance under rural development programs.

Section 733: This provision restores the eligibility of certain communities for rural development programs pending revision of population and other criteria.

Section 734. Language is included that funds in this Act shall not be used to carry out any commodity purchase program that would prohibit eligibility or participation by farmer-owned cooperatives.

Section 735. Language is included that allows the change of the term "antibacterial" to conform with the Federal Food, Drug, and Cosmetic Act.

Section 736. Language is included that grants the Secretary of Agriculture an extension of the date to implement a final rule on milk marketing orders required by the Agricultural Market Transition Act (7 U.S.C. 7253).

Section 737. The Committee continues to support the aggressive use of GSM–102 credits to promote foreign market development and is concerned that recent nuclear tests in India and Pakistan may jeopardize the application of this program to South Asia. Mar-

kets in India and Pakistan may be at risk under the terms of the Arms Export Control Act, which prohibits any U.S. credit guarantees to a non-nuclear state that detonates a nuclear device. The Committee believes that the Secretary of Treasury, in consultation with other Administration officials, has the authority to make a determination exempting commodity credit programs from the terms of the Arms Export Control Act, but also recognizes the need for legislative codification of this issue. Accordingly, the Committee has included bill language exempting any credit, credit guarantee, or other financial assistance provided by the Department of Agriculture for the purchase of food or other agriculture commodities from sanctions under Section 102(b) of the Arms Export Control Act. The provision is limited to fiscal year 1999 and is designated as an emergency requirement.

Section 738. Language is included that requires the Secretary of Agriculture, when announcing the basic formula price for milk for purposes of Federal milk marketing orders (7 U.S.C. 608c), to include in the announcement an estimate, stated on a per hundredweight basis, of the costs incurred by milk producers, including transportation and marketing costs, to produce milk in various regions of the United States.

TRANSFER OF UNEXPENDED BALANCES

Pursuant to clause 1(b), rule X of the House of Representatives, the following statement is submitted describing the transfer of unexpended balances provided in the accompanying bill. Transfers of unexpended balances are assigned to the jurisdiction of the Committee on Appropriations by clause 1(b)(2) of rule X.

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

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

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

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

5. Office of the Assistant Secretary for Congressional Relations.—The bill allows the funds appropriated to the Office of the Assistant Secretary to be transferred to agencies.

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

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

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

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

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

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

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

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

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

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

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

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

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

19. Rental Payments (FDA).—The bill allows transfer to or from the rental payments account based on changing space requirements.

CHANGES IN THE APPLICATION OF EXISTING LAW

Pursuant to clause 3, rule XXI of the House of Representatives, the following statements are submitted describing the effect of provisions in the accompanying bill which directly or indirectly change the application of existing law. In most instances, these provisions have been included in prior appropriations bills, often at the request of or with the knowledge and consent of the responsible legislative committees.

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

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

The bill includes a number of provisions which place limitations on the use of funds in the bill or change existing limitations and

which might, under some circumstances, be construed as changing the application of existing law:

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

2. *Agriculture Buildings and Facilities and Rental Payments*.—Language is included which allows the transfer of limited amounts to and from this account. Language is included that allows the Agricultural Research Service to grant an easement at the Beltsville, MD agricultural research center, and language is included that authorizes the Agricultural Research Service to charge fees for any permit, easement, lease or other special use authorization for the occupancy or use of land and facilities issued by the agency and such fees shall be credited to the Agricultural Research Service and remain available until expended.

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

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

5. *Agricultural Research Service*.—The bill includes language that prohibits funds from being used to carry out research related to the production, processing or marketing of tobacco or tobacco products.

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

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

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

8. *Grain Inspection, Packers and Stockyards Administration, Inspection and Weighing Services*.—The bill includes authority to exceed the limitation on inspection and weighing services by 10 percent with notification to the Appropriations Committees. This allows for flexibility if export activities require additional supervision and oversight, or other uncontrollable factors occur.

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

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

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

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

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

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

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

16. *Rural Housing Service—Rental Assistance Program*.—Language is included which provides that agreements entered into during fiscal year 1999 be funded for a five-year period.

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

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

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

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

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

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

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

23. *Food and Drug Administration*.—Language included since 1986 prohibits any user fee authorized by 31 U.S.C. 9701.

24. *Rental Payments (FDA)*.—Language included since 1985 allows transfer of limited amounts to and from this account.

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

26. *General Provisions*.—

Section 704: This provision repeats language carried since 1972 which permits the accumulation of growth capital not to exceed $2,000,000, and which provides that no funds appro-

priated to an agency shall be transferred to the Working Capital Fund without the approval of the agency administrator.

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

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

Section 710: This provision, carried since 1983, provides that none of the funds in this Act shall be available to reimburse the General Services Administration for rental payment in excess of the amounts specified in the Act.

Section 711: This provision, added in 1987, provides that none of the funds in this Act may be used to restrict the authority of CCC to lease space. This provision allows CCC to continue to lease space at a lower cost than space leased by GSA.

Section 712: This provision, added in 1990, provides that none of the funds in this Act may be made available to pay indirect costs on competitive research grants awarded by the Cooperative State Research, Education, and Extension Service in excess of 14 percent of total direct costs, except for grants

available under the Small Business Innovation and Development Act.

Section 713: This provision clarifies that loan levels provided in the Act are to be considered estimates and not limitations. The Federal Credit Reform Act of 1990 provides that the appropriated subsidy is the controlling factor for the amount of loans made and that as lifetime costs and interest rates change, the amount of loan authority will fluctuate.

Section 714: This provision allows funds made available in fiscal year 1999 for the Rural Development Loan Fund Program Account; Rural Telephone Bank Program Account; the Rural Electrification and Telecommunications Loans Program Account; and the Rural Economic Development Loans Program Account to remain available until expended. The Credit Reform Act requires that the lifetime costs of loans be appropriated. Current law requires that funds unobligated after five years expire. The life of some loans extends well beyond the five-year period and this provision allows funds appropriated to remain available until the loans are closed out.

Section 715: This provision provides that sums necessary for fiscal year 1999 pay raises shall be absorbed within the levels appropriated in this Act.

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

Section 717: Provides that not more than 5 percent of Class A stock of the Rural Telephone Bank may be retired in fiscal year 1999. The provision also prohibits the maintenance of any account or subaccount which has not been specifically authorized by law. The provision also prohibits a transfer of any unobligated funds of the Rural Telephone Bank telephone liquidating account to the Treasury or the Federal Financing Bank that are in excess of current requirements.

Section 718: Provides that none of the funds in this Act may be used to provide market promotion/market access program assistance to the U.S. Mink Export Development Council or any mink industry trade association.

Section 719: Provides that of the funds made available, not more than $1,400,000 shall be used to cover expenses of activities related to all advisory committees, panels, commissions, and task forces of the Department of Agriculture except for panels used to comply with negotiated rule makings and panels used to evaluate competitive award grants.

Section 720: Provides that none of the funds may be used to carry out the provisions of section 918 of Public Law 104–127.

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

Section 722: This provision prohibits the Department of Agriculture from transmitting or making available to any non-De-

partment of Agriculture employee questions or responses to questions that are a result of information requested for the appropriations hearing process.

Section 723: Language is included that requires certain reprogramming procedures of funds provided in Appropriations Acts.

Section 724: Language is included to allow the Farm Service Agency, the Natural Resources Conservation Service and the Rural Development agencies to support a staff office to provide common support services including computer systems.

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

Section 726: Language is included to prohibit funds to carry out a Wildlife Habitat Incentives Program.

Section 727: Language is included to limit the amount of funds available for the Environmental Quality Incentives Program to $174,000,000.

Section 728: Language is included to limit enrollment of acres in the Wetlands Reserve Program to 130,000 acres.

Section 729: Language is included to limit the amount of funds available for The Emergency Food Assistance Program to $90,000,000.

Section 730: Language is included to prohibit funds from being used to carry out the Initiative for Future Agriculture and Food Systems.

Section 731–733: Language is included to allow the Municipality of Carolina, Puerto Rico, the City of Big Spring, Texas and certain other communities to be eligible for rural development programs.

Section 734. Language is included that funds in this Act shall not be used to carry out any commodity purchase program that would prohibit eligibility or participation by farmer-owned cooperatives.

Section 735. Language is included that allows the change of the term "antibacterial" to conform with the Federal Food, Drug, and Cosmetic Act.

Section 736. Language is included that grants the Secretary of Agriculture an extension of the date to implement a final rule on milk marketing orders required by the Agricultural Market Transition Act (7 U.S.C. 7253).

Section 737. Language is included that exempts the commodity credit programs from sanctions under section 102(b) of the Arms Export Control Act. The provision is limited to fiscal year 1999 and is designated as an emergency requirement.

Section 738. Language is included that requires the Secretary of Agriculture, when announcing the basic formula price for milk for purposes of Federal milk marketing orders (7 U.S.C. 608c), to include in the announcement an estimate, stated on a per hundredweight basis, of the costs incurred by milk producers, including transportation and marketing costs, to produce milk in various regions of the United States.

COMPLIANCE WITH RULE XIII, CLAUSE 3

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

SECTION 512 OF THE FEDERAL FOOD, DRUG, AND COSMETIC ACT

NEW ANIMAL DRUGS

SEC. 512. (a) * * *

* * * * * * *

(d)(1) * * *

* * * * * * *

(4) In a case in which an animal drug contains more than one active ingredient, or the labeling of the drug prescribes, recommends, or suggests use of the drug in combination with one or more other animal drugs, and the active ingredients or drugs intended for use in the combination have previously been separately approved for particular uses and conditions of use for which they are intended for use in the combination—

(A) * * *

* * * * * * *

(D) the Secretary shall not issue an order under paragraph (1)(E) refusing to approve an application for a combination animal drug intended for use in animal feed or drinking water unless the Secretary finds that the application fails to demonstrate that—

(i) * * *

* * * * * * *

(iii) where a combination contains more than one nontopical antibacterial ingredient or animal drug, there is substantial evidence that each of the nontopical antibacterial ingredients or animal drugs makes a contribution to the labeled effectiveness, *except that for purposes of this clause, antibacterial ingredient or animal drug does not include the ionophore or arsenical classes of animal drugs; or*

* * * * * * *

SECTION 102 OF THE ARMS EXPORT CONTROL ACT

SEC. 102. NUCLEAR REPROCESSING TRANSFERS, ILLEGAL EXPORTS FOR NUCLEAR EXPLOSIVE DEVICES, TRANSFERS OF NUCLEAR EXPLOSIVE DEVICES, AND NUCLEAR DETONATIONS.

(a) * * *

(b) PROHIBITIONS ON ASSISTANCE TO COUNTRIES INVOLVED IN TRANSFER OR USE OF NUCLEAR EXPLOSIVE DEVICES; EXCEPTIONS; PROCEDURES APPLICABLE.—(1) * * *

(2) The sanctions referred to in paragraph (1) are as follows:

(A) * * *

* * * * * * *

(D) The United States Government shall deny to that country any credit, credit guarantees, or other financial assistance by any department, agency, or instrumentality of the United States Government, except that the sanction of this subparagraph shall not apply—

(i) to any transaction subject to the reporting requirements of title V of the National Security Act of 1947 (relating to congressional oversight of intelligence activities), **[**or**]**

(ii) to humanitarian assistance**[**.**]**, *or*

(iii) to any credit, credit guarantee, or other financial assistance provided by the Department of Agriculture for the purchase or other provision of food or other agricultural commodities.

* * * * * * *

APPROPRIATIONS NOT AUTHORIZED BY LAW

Pursuant to clause 3 of rule XXI of the House of Representatives, the following table lists the appropriations in the accompanying bill which are not authorized by law:

Section 515, Multi-Family Housing,
Section 538 Guaranteed Multiple Family Housing,
Dairy Indemnity Program,
Elderly Feeding Program,
Food Assistance for the Nuclear-Affected Islands,
Child Nutrition Programs,
Special Supplemental Nutrition Program for Women, Infants and Children.

COMPARISON WITH BUDGET RESOLUTION

Section 308(a)(1)(A) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93–344), as amended, requires that the report accompanying a bill providing new budget authority contains a statement detailing how the authority compares with the reports submitted under section 302 of the Act for the most recently agreed to concurrent resolution on the budget for the fiscal year. This information follows:

[In millions of dollars]

Full committee data	302(b) allocation		This bill	
	Budget authority	Outlays	Budget authority	Outlays
Comparison with Budget Resolution:				
Discretionary	13,587	14,002	13,621	14,025
Mandatory	41,058	33,087	42,291	33,090
Total	54,645	47,089	55,912	47,115

Note.—The amounts in this bill are technically in excess of the subcommittee section 320(b) suballocation. However, pursuant to section 314 of the Congressional Budget Act of 1974, as amended, increases to the Committee's section 302(a) allocation are authorized for funding designated as emergency requirements. After the bill is reported to the House, the Chairman of the Committee on the Budget will provide an increased section 302(a) allocation consistent with the funding provided in the bill. That new allocation will eliminate the technical difference prior to floor consideration.

FIVE-YEAR PROJECTION OF OUTLAYS

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

Five year projections	
Budget Authority	55,912
Outlays:	
1999	41,010
2000	4,862
2001	577
2002	359
2003 and beyond	470

The bill provides no new revenues or tax expenditures, and will have no effect on budget authority, budget outlays, spending authority, revenues, tax expenditures, direct loan obligations, or primary loan guarantee commitments available under existing law for fiscal year 1997 and beyond.

FINANCIAL ASSISTANCE TO STATE AND LOCAL GOVERNMENTS

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

[In millions of dollars]

New budget authority	18,268
Fiscal year 1999 outlays resulting therefrom	14,782

PROGRAM, PROJECT, AND ACTIVITY

During fiscal year 1999, for purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99–177), the following information provides the definition of the term "program, project, and activity" for departments and agencies under the jurisdiction of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Subcommittee. The term "program, project, and activity" shall include the most specific level of budget items identified in the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act of 1999, the House and Senate Committee reports, and the conference report and accompanying joint explanatory statement of the managers of the committee of conference.

If a Sequestration Order is necessary, in implementing the required Presidential Order, departments and agencies shall apply any percentage reduction for fiscal year 1999 pursuant to the provisions of Public Law 99–177 to all items specified in the explanatory notes submitted to the Committees on Appropriations of the House and Senate in support of the fiscal year 1999 budget estimates, as amended, for such departments and agencies, as modified by congressional action, and in addition:

For the Agricultural Research Service the definition shall include specific research locations as identified in the explanatory notes

and lines of research specifically identified in the reports of the House and Senate Appropriations Committees.

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

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

FULL COMMITTEE VOTES

Pursuant to the provisions of clause 2(l)(2)(b) of rule XI of the House of Representatives, the results of each rollcall vote on an amendment or on the motion to report, together with the names of those voting for and those voting against, are printed below:

ROLLCALL NO. 1

Date: June 16, 1998.

Measure: Agriculture Appropriations Bill, FY 1999.

Motion by: Mrs. Lowey.

Description of motion: Assessing civil penalties for violations of Federal meat and poultry inspection laws.

Results: Rejected 19 yeas to 25 nays.

Memebers Voting Yea	*Members Voting Nay*
Ms. DeLauro	Mr. Aderholt
Mr. Fazio	Mr. Bonilla
Mr. Frelinghuysen	Mr. Callahan
Mr. Hoyer	Mr. Cramer
Ms. Kaptur	Mr. Dickey
Mrs. Lowey	Mr. Edwards
Mrs. Meek	Mr. Forbes
Mr. Mollohan	Mr. Hobson
Mr. Moran	Mr. Istook
Mr. Neumann	Mr. Kingston
Mr. Obey	Mr. Knollenberg
Mr. Olver	Mr. Latham
Mr. Pastor	Mr. Livingston
Mr. Porter	Mr. McDade
Mr. Price	Mr. Miller
Mr. Sabo	Mr. Nethercutt
Mr. Serrano	Mr. Packard
Mr. Skaggs	Mr. Regula
Mr. Yates	Mr. Rogers
	Mr. Skeen
	Mr. Walsh
	Mr. Wamp
	Mr. Wicker
	Mr. Wolf
	Mr. Young

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1998 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1999

Agency and item (1)	Appropriated, 1998 (enacted to date) (2)	Budget estimates, 1999 (3)	Recommended in bill (4)	Bill compared with appropriated, 1998 (5)	Bill compared with budget estimates, 1999 (6)
TITLE I - AGRICULTURAL PROGRAMS					
Production, Processing, and Marketing					
Office of the Secretary	3,379,000	2,941,000	2,941,000	-438,000	.....
Executive Operations:					
Chief Economist	5,048,000	5,823,000	5,973,000	+925,000	+150,000
Commission on 21st Century Production Agriculture	.....	350,000	.....	.....	-350,000
National Appeals Division	11,718,000	13,297,000	12,204,000	+486,000	-1,093,000
Office of Budget and Program Analysis	5,986,000	6,045,000	6,120,000	+134,000	+75,000
Office of the Chief Information Officer	4,773,000	7,222,000	5,551,000	+778,000	-1,671,000
Total, Executive Operations	27,525,000	32,737,000	29,848,000	+2,323,000	-2,889,000
Office of the Chief Financial Officer	4,283,000	4,562,000	4,283,000	.....	-279,000
Office of the Assistant Secretary for Administration	613,000	636,000	636,000	+23,000	.....
Agriculture buildings and facilities and rental payments	131,085,000	155,689,000	155,689,000	+24,604,000	.....
Payments to GSA	(98,600,000)	(108,057,000)	(108,057,000)	(+9,457,000)	.....
Building operations and maintenance	(24,785,000)	(24,127,000)	(24,127,000)	(-658,000)	.....
Repairs, renovations, and construction	(5,000,000)	(23,505,000)	(23,505,000)	(+18,505,000)	.....
Relocation expenses	(2,700,000)	.....	.....	(-2,700,000)	.....
Hazardous waste management	15,700,000	15,700,000	15,700,000	.....	.....
Departmental administration	29,231,000	32,168,000	32,168,000	+2,937,000	.....
Outreach for socially disadvantaged farmers	3,000,000	10,000,000	3,000,000	.....	-7,000,000

Office of the Assistant Secretary for Congressional Relations	3,668,000	3,814,000	3,668,000	.....	-146,000
Office of Communications	8,138,000	8,319,000	8,138,000	.....	-181,000
Office of the Inspector General	63,128,000	87,689,000	67,178,000	+4,050,000	-20,511,000
Office of the General Counsel	28,759,000	30,446,000	30,396,000	+1,637,000	-50,000
Office of the Under Secretary for Research, Education and Economics	540,000	560,000	560,000	+20,000	.....
Economic Research Service	71,604,000	55,839,000	67,282,000	-4,322,000	+11,443,000
National Agricultural Statistics Service	118,048,000	107,190,000	105,082,000	-12,966,000	-2,108,000
Census of Agriculture	(36,327,000)	(23,741,000)	(23,141,000)	(-13,186,000)	(-600,000)
Agricultural Research Service	744,382,000	776,828,000	755,816,000	+11,434,000	-21,012,000
Buildings and facilities	80,630,000	35,900,000	61,380,000	-19,250,000	+25,480,000
Total, Agricultural Research Service	825,012,000	812,728,000	817,196,000	-7,816,000	+4,468,000
Cooperative State Research, Education, and Extension Service:					
Research and education activities	431,410,000	412,589,000	431,125,000	-285,000	+18,536,000
Native Americans Institutions Endowment Fund	(4,600,000)	(4,600,000)	(4,600,000)	.....	.....
Extension Activities	423,376,000	418,651,000	416,789,000	-6,587,000	-1,862,000
Total, Cooperative State Research, Education, and Extension Service	854,786,000	831,240,000	847,914,000	-6,872,000	+16,674,000
Office of the Assistant Secretary for Marketing and Regulatory Programs	618,000	642,000	642,000	+24,000	.....

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1998 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1999—Continued

Agency and item (1)	Appropriated, 1998 (enacted to date) (2)	Budget estimates, 1999 (3)	Recommended in bill (4)	Bill compared with appropriated, 1998 (5)	Bill compared with budget estimates, 1999 (6)
Animal and Plant Health Inspection Service:					
Salaries and expenses	425,932,000	417,752,000	424,500,000	-1,432,000	+6,748,000
AQI user fees	(88,000,000)	(100,000,000)	(88,000,000)	.....	(-12,000,000)
Buildings and facilities	4,200,000	5,200,000	5,200,000	+1,000,000	.....
Total, Animal and Plant Health Inspection Service	430,132,000	422,952,000	429,700,000	-432,000	+6,748,000
Agricultural Marketing Service:					
Marketing Services	46,567,000	58,469,000	46,567,000	.....	-11,902,000
New user fees	(4,000,000)	(4,000,000)	(4,000,000)	.....	.....
(Limitation on administrative expenses, from fees collected)	(59,521,000)	(60,730,000)	(60,730,000)	(+1,209,000)	.....
Funds for strengthening markets, income, and supply (transfer from section 32)	10,690,000	10,998,000	10,998,000	+308,000	.....
Payments to states and possessions	1,200,000	1,200,000	1,200,000	.....	.....
Total, Agricultural Marketing Service	58,457,000	70,667,000	58,765,000	+308,000	-11,902,000
Grain Inspection, Packers and Stockyards Administration	25,390,000	11,797,000	29,042,000	+3,652,000	+17,245,000
Inspection and Weighing Services (limitation on administrative expenses, from fees collected)	(43,092,000)	(42,557,000)	(42,557,000)	(-535,000)	.....
Office of the Under Secretary for Food Safety	446,000	598,000	.....	-446,000	-598,000

Food Safety and Inspection Service	588,761,000	149,566,000	609,250,000	+20,489,000	+459,684,000
Lab accreditation fees 1/	(1,000,000)	(1,000,000)	(1,000,000)	.....	.....
Total, Production, Processing, and Marketing	3,292,303,000	2,848,480,000	3,319,078,000	+26,775,000	+470,598,000
Farm Assistance Programs					
Office of the Under Secretary for Farm and Foreign Agricultural Services	572,000	597,000	597,000	+25,000	.....
Farm Service Agency:					
Salaries and expenses	699,579,000	723,478,000	724,499,000	+24,920,000	+1,021,000
(Transfer from export loans)	(589,000)	(672,000)	(589,000)	.....	(-83,000)
(Transfer from P.L. 480)	(815,000)	(845,000)	(815,000)	.....	(-30,000)
(Transfer from ACIF)	(209,861,000)	(227,673,000)	(209,861,000)	.....	(-17,812,000)
Total, salaries and expenses	(910,844,000)	(952,668,000)	(935,764,000)	(+24,920,000)	(-16,904,000)
State mediation grants	2,000,000	4,000,000	2,000,000	.....	-2,000,000
Dairy indemnity program	550,000	450,000	450,000	-100,000	.....
Total, Farm Service Agency	702,129,000	727,928,000	726,949,000	+24,820,000	-979,000
Agricultural Credit Insurance Fund Program Account:					
Loan authorizations:					
Farm ownership loans:					
Direct	(78,320,000)	(85,000,000)	(75,000,000)	(-3,320,000)	(-10,000,000)
Guaranteed	(425,000,000)	(425,031,000)	(425,031,000)	(+31,000)	.....
Subtotal	(503,320,000)	(510,031,000)	(500,031,000)	(-3,289,000)	(-10,000,000)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1998 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1999—Continued

Agency and item (1)	Appropriated, 1998 (enacted to date) (2)	Budget estimates, 1999 (3)	Recommended in bill (4)	Bill compared with appropriated, 1998 (5)	Bill compared with budget estimates, 1999 (6)
Farm operating loans:					
Direct	(565,000,000)	(500,000,000)	(500,000,000)	(-65,000,000)	.....
Guaranteed unsubsidized	(992,906,000)	(1,700,000,000)	(1,276,000,000)	(+283,094,000)	(-424,000,000)
Guaranteed subsidized	(235,000,000)	(200,000,000)	(200,000,000)	(-35,000,000)	.....
Subtotal	(1,792,906,000)	(2,400,000,000)	(1,976,000,000)	(+183,094,000)	(-424,000,000)
Indian tribe land acquisition loans	(1,000,000)	(1,003,000)	(1,000,000)	.....	(-3,000)
Emergency disaster loans	(25,000,000)	(25,000,000)	(25,000,000)	.....	.....
Boll weevil eradication loans	(53,467,000)	(30,000,000)	(100,000,000)	(+46,533,000)	(+70,000,000)
Credit sales of acquired property	(25,000,000)	(25,000,000)	(25,000,000)	.....	.....
Total, Loan authorizations	(2,400,693,000)	(2,991,034,000)	(2,627,031,000)	(+226,338,000)	(-364,003,000)
Loan subsidies:					
Farm ownership loans:					
Direct	8,329,000	12,725,000	11,228,000	+2,899,000	-1,497,000
Guaranteed	16,407,000	6,758,000	6,758,000	-9,649,000	.....
Subtotal	24,736,000	19,483,000	17,986,000	-6,750,000	-1,497,000
Farm operating loans:					
Direct	36,823,000	34,150,000	34,150,000	-2,673,000	.....
Guaranteed unsubsidized	11,617,000	19,720,000	11,000,000	-617,000	-8,720,000
Guaranteed subsidized	22,654,000	17,480,000	17,480,000	-5,174,000	.....
Subtotal	71,094,000	71,350,000	62,630,000	-8,464,000	-8,720,000

Indian tribe land acquisition	132,000	153,000	153,000	+21,000	.....
Emergency disaster loans	6,008,000	5,900,000	5,900,000	-108,000	.....
Boll weevil loans subsidy	472,000	432,000	1,440,000	+968,000	+1,008,000
Credit sales of acquired property	3,255,000	3,260,000	3,260,000	+5,000	.....
Total, Loan subsidies	105,697,000	100,578,000	91,369,000	-14,328,000	-9,209,000
ACIF expenses:					
Salaries and expense (transfer to FSA)	209,861,000	227,673,000	209,861,000	.....	-17,812,000
Administrative expenses	10,000,000	10,000,000	10,000,000	.....	.....
Total, ACIF expenses	219,861,000	237,673,000	219,861,000	.....	-17,812,000
Total, Agricultural Credit Insurance Fund	325,558,000	338,251,000	311,230,000	-14,328,000	-27,021,000
(Loan authorization)	(2,400,693,000)	(2,991,034,000)	(2,627,031,000)	(+226,338,000)	(-364,003,000)
Total, Farm Service Agency	1,027,687,000	1,066,179,000	1,038,179,000	+10,492,000	-28,000,000
Risk Management Agency:					
Administrative and operating expenses	64,000,000	66,000,000	64,000,000	.....	-2,000,000
Sales commission of agents	188,571,000	.....	.....	-188,571,000	.....
Total, Risk Management Agency	252,571,000	66,000,000	64,000,000	-188,571,000	-2,000,000
Total, Farm Assistance Programs	1,280,830,000	1,132,776,000	1,102,776,000	-178,054,000	-30,000,000
Corporations					
Federal Crop Insurance Corporation:					
Federal crop insurance corporation fund	1,584,135,000	1,504,036,000	1,504,036,000	-80,099,000	.....
Commodity Credit Corporation Fund:					
Reimbursement for net realized losses	783,507,000	8,439,000,000	8,439,000,000	+7,655,493,000	.....

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1998 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1999—Continued

Agency and item (1)	Appropriated, 1998 (enacted to date) (2)	Budget estimates, 1999 (3)	Recommended in bill (4)	Bill compared with appropriated, 1998 (5)	Bill compared with budget estimates, 1999 (6)
Operations and maintenance for hazardous waste management (limitation on administrative expenses)	(5,000,000)	(5,000,000)	(5,000,000)	.....	.....
Total, Corporations	2,367,642,000	9,943,036,000	9,943,036,000	+7,575,394,000	.....
Total, title I, Agricultural Programs	6,940,775,000	13,924,292,000	14,364,890,000	+7,424,115,000	+440,598,000
(By transfer)	(211,265,000)	(229,190,000)	(211,265,000)	.....	(-17,925,000)
(Loan authorization)	(2,400,693,000)	(2,991,034,000)	(2,627,031,000)	(+226,338,000)	(-364,003,000)
(Limitation on administrative expenses)	(107,613,000)	(108,287,000)	(108,287,000)	(+674,000)	.....
TITLE II - CONSERVATION PROGRAMS					
Office of the Under Secretary for Natural Resources and Environment	693,000	719,000	719,000	+26,000	.....
Natural Resources Conservation Service:					
Conservation operations	632,853,000	742,231,000	641,243,000	+8,390,000	-100,988,000
Watershed surveys and planning 2/	11,190,000	.....	9,545,000	-1,645,000	+9,545,000
Watershed and flood prevention operations 3/	101,036,000	49,000,000	97,850,000	-3,186,000	+48,850,000
Resource conservation and development	34,377,000	34,377,000	35,000,000	+623,000	+623,000
Forestry incentives program	6,325,000	.....	.....	-6,325,000	.....
Total, Natural Resources Conservation Service	785,781,000	825,608,000	783,638,000	-2,143,000	-41,970,000
Total, title II, Conservation Programs	786,474,000	826,327,000	784,357,000	-2,117,000	-41,970,000

TITLE III - RURAL ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAMS					
Office of the Under Secretary for Rural Development	588,000	611,000	611,000	+23,000	.....
Rural community advancement program	652,197,000	715,172,000	745,172,000	+92,975,000	+30,000,000
Rural Housing Service:					
Rural Housing Insurance Fund Program Account:					
Loan authorizations:					
Single family (sec. 502)	(1,000,000,000)	(1,000,000,000)	(930,600,000)	(-69,400,000)	(-69,400,000)
Unsubsidized guaranteed	(3,000,000,000)	(3,000,000,000)	(3,000,000,000)	.....	.....
Housing repair (sec. 504)	(30,000,000)	(25,001,000)	(25,001,000)	(-4,999,000)	.....
Farm labor (sec. 514)	(15,000,000)	(32,108,000)	(20,000,000)	(+5,000,000)	(-12,108,000)
Rental housing (sec. 515)	(128,640,000)	(100,000,000)	(100,000,000)	(-28,640,000)	.....
Multi-family housing guarantees (sec. 538)	(19,700,000)	(150,000,000)	(125,000,000)	(+105,300,000)	(-25,000,000)
Site loans (sec. 524)	(600,000)	(5,000,000)	(5,000,000)	(+4,400,000)	.....
Credit sales of acquired property	(25,000,000)	(30,007,000)	(25,000,000)	.....	(-5,007,000)
Self-help housing land development fund	(587,000)	(5,000,000)	(5,000,000)	(+4,413,000)	.....
Total, Loan authorizations	(4,219,527,000)	(4,347,116,000)	(4,235,601,000)	(+16,074,000)	(-111,515,000)
Loan subsidies:					
Single family (sec. 502)	128,100,000	118,200,000	110,000,000	-18,100,000	-8,200,000
Unsubsidized guaranteed	6,900,000	2,700,000	2,700,000	-4,200,000	.....
Housing repair (sec. 504)	10,300,000	8,808,000	8,808,000	-1,492,000	.....
Multi-family housing guarantees (sec. 538)	1,200,000	3,480,000	2,900,000	+1,700,000	-580,000
Farm labor (sec. 514)	7,388,000	16,706,000	10,406,000	+3,018,000	-6,300,000
Rental housing (sec. 515)	68,745,000	48,250,000	48,250,000	-20,495,000	.....
Site loans (sec. 524)	.....	17,000	17,000	+17,000	.....

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1998 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1999—Continued

Agency and item (1)	Appropriated, 1998 (enacted to date) (2)	Budget estimates, 1999 (3)	Recommended in bill (4)	Bill compared with appropriated, 1998 (5)	Bill compared with budget estimates, 1999 (6)
Credit sales of acquired property	3,492,000	4,672,000	3,492,000	.....	-1,180,000
Self-help housing land development fund	17,000	282,000	282,000	+265,000	.....
Total, Loan subsidies	226,142,000	203,115,000	186,855,000	-39,287,000	-16,260,000
RHIF administrative expenses (transfer to RHS)	354,785,000	367,857,000	354,785,000	.....	-13,072,000
Rental assistance program:					
(Sec. 521)	535,497,000	577,497,000	577,497,000	+42,000,000	.....
(Sec. 502(c)(5)(D))	5,900,000	5,900,000	5,900,000	.....	.....
Total, Rental assistance program	541,397,000	583,397,000	583,397,000	+42,000,000	.....
Total, Rural Housing Insurance Fund	1,122,324,000	1,154,369,000	1,125,037,000	+2,713,000	-29,332,000
(Loan authorization)	(4,219,527,000)	(4,347,116,000)	(4,235,601,000)	(+16,074,000)	(-111,515,000)
Mutual and self-help housing grants	26,000,000	26,000,000	26,000,000	.....	.....
Rural community fire protection grants	2,000,000	.....	.....	-2,000,000	.....
Rural housing assistance grants	45,720,000	46,900,000	41,000,000	-4,720,000	-5,900,000
Subtotal, grants and payments	73,720,000	72,900,000	67,000,000	-6,720,000	-5,900,000

RHS expenses:					
Salaries and expenses	57,958,000	60,978,000	57,958,000	.....	-3,020,000
(Transfer from RHIF)	(354,785,000)	(367,857,000)	(354,785,000)	.....	(-13,072,000)
Total, RHS expenses	(412,743,000)	(428,835,000)	(412,743,000)	.....	(-16,092,000)
Total, Rural Housing Service	1,254,002,000	1,288,247,000	1,249,995,000	-4,007,000	-38,252,000
(Loan authorization)	(4,219,527,000)	(4,347,116,000)	(4,235,601,000)	(+16,074,000)	(-111,515,000)
Rural Business-Cooperative Service:					
Rural Development Loan Fund Program Account:					
(Loan authorization)	(35,000,000)	(35,000,000)	(35,000,000)	.....	.....
Loan subsidy	16,888,000	17,622,000	17,622,000	+734,000	.....
Administrative expenses (transfer to RBCS)	3,482,000	3,547,000	3,499,000	+17,000	-48,000
Total, Rural Development Loan Fund	20,370,000	21,169,000	21,121,000	+751,000	-48,000
Rural Economic Development Loans Program Account:					
(Loan authorization)	(25,000,000)	(15,000,000)	(15,000,000)	(-10,000,000)	.....
Direct subsidy	5,978,000	3,783,000	3,783,000	-2,195,000	.....
Alternative Agricultural Research and Commercialization Revolving Fund	7,000,000	10,000,000	.....	-7,000,000	-10,000,000
Rural cooperative development grants	3,000,000	5,700,000	3,300,000	+300,000	-2,400,000
Delta region economic development program	.....	26,000,000	.....	.....	-26,000,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1998 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1999—Continued

Agency and item (1)	Appropriated, 1998 (enacted to date) (2)	Budget estimates, 1999 (3)	Recommended in bill (4)	Bill compared with appropriated, 1998 (5)	Bill compared with budget estimates, 1999 (6)
RBCS expenses:					
Salaries and expenses	25,680,000	26,396,000	25,680,000	.....	-716,000
(Transfer from RDLFP)	(3,482,000)	(3,547,000)	(3,499,000)	(+17,000)	(-48,000)
Total, RBCS expenses	(29,162,000)	(29,943,000)	(29,179,000)	(+17,000)	(-764,000)
Total, Rural Business-Cooperative Service	62,028,000	93,048,000	53,884,000	-8,144,000	-39,164,000
(By transfer)	(3,482,000)	(3,547,000)	(3,499,000)	(+17,000)	(-48,000)
(Loan authorization)	(60,000,000)	(50,000,000)	(50,000,000)	(-10,000,000)	.....
Rural Utilities Service:					
Rural Electrification and Telecommunications Loans Program Account:					
Loan authorizations:					
Direct loans:					
Electric 5%	(125,000,000)	(55,000,000)	(71,500,000)	(-53,500,000)	(+16,500,000)
Telecommunications 5%	(75,000,000)	(50,000,000)	(75,000,000)	.....	(+25,000,000)
Subtotal	(200,000,000)	(105,000,000)	(146,500,000)	(-53,500,000)	(+41,500,000)
Treasury rates: Telecommunications	(300,000,000)	(300,000,000)	(300,000,000)	.....	.....
Muni-rate: Electric	(500,000,000)	(250,000,000)	(295,000,000)	(-205,000,000)	(+45,000,000)

FFB loans:					
Electric, regular	(300,000,000)	(300,000,000)	(700,000,000)	(+400,000,000)	(+400,000,000)
Telecommunications	(120,000,000)	(120,000,000)	(120,000,000)	.....	.....
Subtotal	(420,000,000)	(420,000,000)	(820,000,000)	(+400,000,000)	(+400,000,000)
Total, Loan authorizations	(1,420,000,000)	(1,075,000,000)	(1,561,500,000)	(+141,500,000)	(+486,500,000)
Loan subsidies:					
Direct loans:					
Electric 5%	9,325,000	7,172,000	9,325,000	.....	+2,153,000
Telecommunications 5%	2,940,000	4,895,000	7,342,000	+4,402,000	+2,447,000
Subtotal	12,265,000	12,067,000	16,667,000	+4,402,000	+4,600,000
Treasury rates: Telecommunications	60,000	810,000	810,000	+750,000	.....
Muni-rate: Electric	21,100,000	21,900,000	25,842,000	+4,742,000	+3,942,000
FFB loans: Electric, regular	2,760,000	.....	.....	-2,760,000	.....
Total, Loan subsidies	36,185,000	34,777,000	43,319,000	+7,134,000	+8,542,000
RETLP administrative expenses (transfer to RUS)	29,982,000	32,000,000	29,982,000	.....	-2,018,000
Total, Rural Electrification and Telecommunications Loans Program Account	66,167,000	66,777,000	73,301,000	+7,134,000	+6,524,000
(Loan authorization)	(1,420,000,000)	(1,075,000,000)	(1,561,500,000)	(+141,500,000)	(+486,500,000)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1998 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1999—Continued

Agency and item (1)	Appropriated, 1998 (enacted to date) (2)	Budget estimates, 1999 (3)	Recommended in bill (4)	Bill compared with appropriated, 1998 (5)	Bill compared with budget estimates, 1999 (6)
Rural Telephone Bank Program Account:					
(Loan authorization)	(175,000,000)	(175,000,000)	(175,000,000)	.....	.....
Direct loan subsidy	3,710,000	4,638,000	4,638,000	+928,000	.....
RTP administrative expenses (transfer to RUS)	3,000,000	3,000,000	3,000,000	.....	.....
Total	6,710,000	7,638,000	7,638,000	+928,000	.....
Distance learning and telemedicine program:					
(Loan authorization)	(150,000,000)	(150,000,000)	(150,000,000)	.....	.....
Direct loan subsidy	30,000	180,000	180,000	+150,000	.....
Grants	12,500,000	15,000,000	10,000,000	-2,500,000	-5,000,000
Total	12,530,000	15,180,000	10,180,000	-2,350,000	-5,000,000
RUS expenses:					
Salaries and expenses	33,000,000	33,445,000	33,000,000	.....	-445,000
(Transfer from RETLP)	(29,982,000)	(32,000,000)	(29,982,000)	.....	(-2,018,000)
(Transfer from RTP)	(3,000,000)	(3,000,000)	(3,000,000)	.....	.....
Total, RUS expenses	(65,982,000)	(68,445,000)	(65,982,000)	.....	(-2,463,000)
Total, Rural Utilities Service	118,407,000	123,040,000	124,119,000	+5,712,000	+1,079,000
(By transfer)	(32,982,000)	(35,000,000)	(32,982,000)	.....	(-2,018,000)
(Loan authorization)	(1,745,000,000)	(1,400,000,000)	(1,886,500,000)	(+141,500,000)	(+486,500,000)

Total, title III, Rural Economic and Community Development Programs	2,087,222,000	2,220,118,000	2,173,781,000	+86,559,000	-46,337,000
(By transfer)	(391,249,000)	(406,404,000)	(391,266,000)	(+17,000)	(-15,138,000)
(Loan authorization)	(6,024,527,000)	(5,797,116,000)	(6,172,101,000)	(+147,574,000)	(+374,985,000)
TITLE IV - DOMESTIC FOOD PROGRAMS					
Office of the Under Secretary for Food, Nutrition and Consumer Services	554,000	573,000	.....	-554,000	-573,000
Food and Consumer Service:					
Child nutrition programs	2,612,675,000	3,887,703,000	4,166,747,000	+1,554,072,000	+279,044,000
Discretionary spending	3,750,000	10,000,000	3,750,000	.....	-6,250,000
Transfer from section 32	5,151,391,000	5,332,194,000	5,048,150,000	-103,241,000	-284,044,000
Total, Child nutrition programs	7,767,816,000	9,229,897,000	9,218,647,000	+1,450,831,000	-11,250,000
Special supplemental nutrition program for women, infants, and children (WIC)	3,924,000,000	4,081,000,000	3,924,000,000	.....	-157,000,000
Reserve	.....	(20,000,000)	.....	.....	(-20,000,000)
Food stamp program:					
Expenses	23,736,479,000	22,365,806,000	21,165,806,000	-2,570,673,000	-1,200,000,000
Reserve	100,000,000	1,000,000,000	100,000,000	.....	-900,000,000
Nutrition assistance for Puerto Rico	1,204,000,000	1,236,000,000	1,236,000,000	+32,000,000	.....
The emergency food assistance program	100,000,000	100,000,000	90,000,000	-10,000,000	-10,000,000
Total, Food stamp program	25,140,479,000	24,701,806,000	22,591,806,000	-2,548,673,000	-2,110,000,000
Commodity assistance program	141,000,000	317,081,000	131,000,000	-10,000,000	-186,081,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1998 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1999—Continued

Agency and item (1)	Appropriated, 1998 (enacted to date) (2)	Budget estimates, 1999 (3)	Recommended in bill (4)	Bill compared with appropriated, 1998 (5)	Bill compared with budget estimates, 1999 (6)
Food donations programs for selected groups:					
Needy family program	1,165,000	.....	1,081,000	-84,000	+1,081,000
Elderly feeding program	140,000,000	.....	140,000,000	.....	+140,000,000
Total, Food donations programs 4/	141,165,000	.....	141,081,000	-84,000	+141,081,000
Food program administration	107,505,000	111,848,000	108,311,000	+806,000	-3,537,000
Total, Food and Consumer Service	37,221,965,000	38,441,632,000	36,114,845,000	-1,107,120,000	-2,326,787,000
Total, title IV, Domestic Food Programs	37,222,519,000	38,442,205,000	36,114,845,000	-1,107,674,000	-2,327,360,000
TITLE V - FOREIGN ASSISTANCE AND RELATED PROGRAMS					
Foreign Agricultural Service and General Sales Manager:					
Direct appropriation	131,295,000	141,087,000	131,295,000	.....	-9,792,000
(Transfer from export loans)	(3,231,000)	(3,413,000)	(3,231,000)	.....	(-182,000)
(Transfer from P.L. 480)	(1,035,000)	(1,093,000)	(1,035,000)	.....	(-58,000)
Total, Program level	(135,561,000)	(145,593,000)	(135,561,000)	.....	(-10,032,000)

Public Law 480 Program and Grant Accounts:					
Title I - Credit sales:					
Program level	(244,508,000)	(111,558,000)	(197,514,000)	(-46,994,000)	(+85,956,000)
Direct loans	(226,900,000)	(102,163,000)	(182,624,000)	(-44,276,000)	(+80,461,000)
Ocean freight differential	17,608,000	9,395,000	14,890,000	-2,718,000	+5,495,000
Title II - Commodities for disposition abroad:					
Program level	(837,000,000)	(837,000,000)	(837,000,000)	.....	.....
Appropriation	837,000,000	837,000,000	837,000,000	.....	.....
Title III - Commodity grants:					
Program level	(30,000,000)	(30,000,000)	(25,000,000)	(-5,000,000)	(-5,000,000)
Appropriation	30,000,000	30,000,000	25,000,000	-5,000,000	-5,000,000
Loan subsidies	176,596,000	88,667,000	158,499,000	-18,097,000	+69,832,000
Salaries and expenses:					
General Sales Manager (transfer to FAS)	1,035,000	1,093,000	1,035,000	.....	-58,000
Farm Service Agency (transfer to FSA)	815,000	845,000	815,000	.....	-30,000
Subtotal	1,850,000	1,938,000	1,850,000	.....	-88,000
Total, Public Law 480:					
Program level	(1,111,508,000)	(978,558,000)	(1,059,514,000)	(-51,994,000)	(+80,956,000)
Appropriation	1,063,054,000	967,000,000	1,037,239,000	-25,815,000	+70,239,000
CCC Export Loans Program Account:					
Export credit: Loan subsidy	407,630,000	253,000,000	252,500,000	-155,130,000	-500,000
(Loan authorization)	(5,500,000,000)	(4,615,000,000)	(4,615,000,000)	(-885,000,000)	.....
Emerging markets export credit	(200,000,000)	.....	.....	(-200,000,000)	.....

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1998 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1999—Continued

Agency and item (1)	Appropriated, 1998 (enacted to date) (2)	Budget estimates, 1999 (3)	Recommended in bill (4)	Bill compared with appropriated, 1998 (5)	Bill compared with budget estimates, 1999 (6)
Salaries and expenses (Export Loans):					
General Sales Manager (transfer to FAS)	3,231,000	3,413,000	3,231,000	.....	-182,000
Farm Service Agency (transfer to FSA)	589,000	672,000	589,000	.....	-83,000
Total, CCC Export Loans Program Account	411,450,000	257,085,000	256,320,000	-155,130,000	-765,000
Total, title V, Foreign Assistance and Related Programs	1,605,799,000	1,365,172,000	1,424,854,000	-180,945,000	+59,682,000
(By transfer)	(4,266,000)	(4,506,000)	(4,266,000)	.....	(-240,000)
TITLE VI - RELATED AGENCIES AND FOOD AND DRUG ADMINISTRATION					
DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Food and Drug Administration					
Salaries and expenses, direct appropriation	857,501,000	878,884,000	871,499,000	+13,998,000	-7,385,000
Prescription drug user fee act	(117,122,000)	(126,845,000)	(126,845,000)	(+9,723,000)	.....
Mammography clinics user fee	(13,966,000)	(14,385,000)	(14,385,000)	(+419,000)	.....
Subtotal, program level	(988,589,000)	(1,020,114,000)	(1,012,729,000)	(+24,140,000)	(-7,385,000)
Buildings and facilities	21,350,000	8,350,000	11,350,000	-10,000,000	+3,000,000

Rental payments (FDA)	46,294,000	82,866,000	82,866,000	+36,572,000	.....
By transfer from PDUFA	.....	(5,428,000)	(5,428,000)	(+5,428,000)	.....
Subtotal, program level	(46,294,000)	(88,294,000)	(88,294,000)	(+42,000,000)	.....
Total, Food and Drug Administration	925,145,000	970,100,000	965,715,000	+40,570,000	-4,385,000
DEPARTMENT OF THE TREASURY					
Financial Management Service: Payments to the Farm Credit System Financial Assistance Corporation	7,728,000	2,565,000	2,565,000	-5,163,000	.....
INDEPENDENT AGENCIES					
Commodity Futures Trading Commission	58,101,000	63,360,000	62,140,000	+4,039,000	-1,220,000
Farm Credit Administration (limitation on administrative expenses)	(34,423,000)	(35,800,000)	(35,800,000)	(+1,377,000)	.....
Total, title VI, Related Agencies and Food and Drug Administration	990,974,000	1,036,025,000	1,030,420,000	+39,446,000	-5,605,000
TITLE VII - EMERGENCY APPROPRIATIONS					
DEPARTMENT OF AGRICULTURE					
Farm Service Agency					
Emergency conservation program	34,000,000	.....	.....	-34,000,000	.....
Tree assistance program	14,000,000	.....	.....	-14,000,000	.....

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1998 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1999—Continued

Agency and item (1)	Appropriated, 1998 (enacted to date) (2)	Budget estimates, 1999 (3)	Recommended in bill (4)	Bill compared with appropriated, 1998 (5)	Bill compared with budget estimates, 1999 (6)
Agricultural Credit Insurance Fund Program Account:					
Emergency insured loans:					
Loan subsidy	21,000,000	.....	.....	-21,000,000	.....
(Loan authorization)	87,400,000	.....	.....	-87,400,000	.....
Total, Farm Service Agency	69,000,000	.....	.....	-69,000,000	.....
Commodity Credit Corporation					
Livestock disaster assistance fund	4,000,000	.....	.....	-4,000,000	.....
Dairy production indemnity assistance program	6,800,000	.....	.....	-6,800,000	.....
Total, Commodity Credit Corporation	10,800,000	.....	.....	-10,800,000	.....
Natural Resources Conservation Service					
Watershed and flood prevention operations	80,000,000	.....	.....	-80,000,000	.....
Total, title VII, Emergency appropriations	159,800,000	.....	.....	-159,800,000	.....
Grand total:					
New budget (obligational) authority	49,793,563,000	57,814,139,000	55,893,147,000	+6,099,584,000	-1,920,992,000
Appropriations	(49,633,763,000)	(57,814,139,000)	(55,893,147,000)	(+6,259,384,000)	(-1,920,992,000)
Emergency appropriations	(159,800,000)	.....	.....	(-159,800,000)	.....
(By transfer)	(606,780,000)	(640,100,000)	(606,797,000)	(+17,000)	(-33,303,000)
(Loan authorization)	(14,012,620,000)	(13,403,150,000)	(13,414,132,000)	(-598,488,000)	(+10,982,000)
(Limitation on administrative expenses)	(142,036,000)	(144,087,000)	(144,087,000)	(+2,051,000)	.....

RECAPITULATION					
Title I - Agricultural programs	6,940,775,000	13,924,292,000	14,364,890,000	+7,424,115,000	+440,598,000
Title II - Conservation programs	786,474,000	826,327,000	784,357,000	-2,117,000	-41,970,000
Title III - Rural economic and community development programs	2,087,222,000	2,220,118,000	2,173,781,000	+86,559,000	-46,337,000
Title IV - Domestic food programs	37,222,519,000	38,442,205,000	36,114,845,000	-1,107,674,000	-2,327,360,000
Title V - Foreign assistance and related programs	1,605,799,000	1,365,172,000	1,424,854,000	-180,945,000	+59,682,000
Title VI - Related agencies and Food and Drug Administration	990,974,000	1,036,025,000	1,030,420,000	+39,446,000	-5,605,000
Title VII - Emergency appropriations	159,800,000	.....	.....	-159,800,000	.....
Total, new budget (obligational) authority	49,793,563,000	57,814,139,000	55,893,147,000	+6,099,584,000	-1,920,992,000

1/ In addition to appropriation.
2/ Budget proposes to fund this account under Conservation Operations.
3/ Budget proposes to fund technical assistance for WFPO under Conservation Operations.
4/ Budget proposes to include funding for these programs under the Commodity Assistance Program in FY 1998.

ADDITIONAL VIEWS OF DAVID R. OBEY

The federal milk marketing order system has been around since 1938. Originally, intended to encourage production of milk in dairy deficit regions today it has a complicated pricing formula that no one, not even Einstein, could understand. But, what every dairy farmer in the country understands is that it is an inequitable, costly and outdated law that mandates farmers in Florida get paid about $3 per hundredweight more than dairy farmers in the Upper Midwest for their milk that goes to fluid use, and farmers in New York and Texas get paid about $2 per hundredweight more. For exactly the same product, the federal government mandates that farmers in some regions of the country get paid more than farmers in other regions.

When the Farm Bill was before Congress in 1996, the Republican majority said they wanted reform that would return real markets to farming. But, when it came to dairy, they opposed any changes to the status quo. During negotiations, a deal was struck between the GOP leadership and the leadership of the Agriculture Committee that prevented the Chairman of the Dairy Subcommittee, Steve Gunderson, from offering real reform. That deal said that there would be no legislative remedy to the widely-perceived problems of the milk marketing orders. The only remedy they would allow was an evaluation by the U.S. Department of Agriculture which was charged with developing proposals to make the federal milk order system more market oriented.

Now, USDA has begun that process. In fact, it is two years into the 3-year reform timetable that was laid out in the Farm Bill. Out of 7 or 8 alternatives ranging from no reform to wholesale overhaul, USDA came out with two final options; minimal reform and none. Even that is too much for the backers of the status quo, however and the self-proclaimed champions of "Free Enterprise" in this Congress are using this Department of Agriculture Appropriations bill to block even the very minimal reforms developed by USDA.

The Farm Bill directed the Secretary of Agriculture to implement market order reforms by April 4, 1999, three years from date of enactment. Secretary Glickman has indicated that his preference is Option 1B. That option calls for narrowing slightly the disparities in the dairy differential payments that farmers receive for milk that goes into fluid use, thereby reducing but not eliminating, the competitive disadvantage suffered by dairy farmers in the Upper Midwest. USDA has also indicated that its rulemaking is on schedule and that it expects to complete action and implement reform by the deadline.

However, this bill contains a provision which extends the rulemaking and implementation of the minimal reforms proposed by the Secretary for a further 6 months so that Congress is in session when the final rule is proposed. That is a clear signal to the Sec-

retary to back off. The same people in Congress who said that they would not allow a legislative remedy for consumers and farmers are now saying that they were not serious about allowing for an administrative remedy, either. This extension of USDA rulemaking says, in effect, that if USDA develops any proposals that are in any way real, then Congress will wipe that out with a legislative override. It's a signal to the Secretary that he should not do anything to change the status quo. It's a shot across the bow of the USDA, telling the Secretary "if you're thinking of real reform, don't bother because we'll cut you off.

Congress told the Administration to develop a reform proposal and it should stick to that. But, the champions of the status quo want it both ways. The people who get hurt are dairy farmers in the Upper Midwest and consumers throughout the country who will have to pay more for their milk.

In addition, this bill includes an extension of the North East Dairy Compact which authorizes a dairy cartel in six New England states. The Compact allows those states to artificially hike up the prices that farmers receive and the prices that consumers pay in those states and keep out dairy products from other regions. The same Congress that passed NAFTA and declared that we should tear down global trade barriers is erecting new internal trade barriers to our own, American products.

These are two reasons I am opposed to this bill.

I am grateful that the Committee agreed to include a provision that directs the Department of Agriculture to, for the first time, announce a monthly Cost of Production (CoP) figure for milk at the same time that it announces the Basic Formula Price (BFP). Currently, USDA announces the BFP on or about the 5th of every month so that everyone has a pretty good idea of how much farmers are getting paid. But, it is much more difficult to determine how much it costs farmers to produce that milk. That's because cost of production figures are published annually and they are two years out of date at the time of publication. That means we are only getting half the picture. By requiring USDA to announce on a monthly basis how much it costs farmers to produce their milk at the same time it announces the BFP we get to see the whole dairy farm finance picture. That's important for consumers who will get a better understanding of conditions on the farm and it could provide a useful tool for policymakers.

Unfortunately, while this provision improves the bill, it fails to outweigh the injury caused by the undermining of dairy reform. I expect to have an amendment to the dairy section and I would urge members to support whatever amendments are offered to eliminate the North East Dairy Compact.

Finally, another reason I am opposed to this bill is that the allocation for agriculture, rural development and nutrition programs provided herein simply does not meet the needs of our nation's farmers and consumers.

DAVID R. OBEY.

ADDITIONAL VIEWS OF HON. MARCY KAPTUR, HON. VIC FAZIO, HON. JOSE SERRANO, HON. ROSA DELAURO, AND HON. NITA LOWEY

While we support the overall Fiscal Year 1999 Agriculture Appropriations bill as reported, we are compelled to point out that funding levels are simply inadequate for several of the most critically important programs in this bill. Discretionary funding for the fiscal year 1999 Agriculture Appropriations bill is $130 million below comparable FY 1998 spending levels, but total amounts provided under this bill (mandatory and discretionary spending) have declined by almost 30 percent since fiscal year 1994. It is clear that agriculture, rural development, and nutritional programs continue to bear more than their fair share of overall budget reductions.

We appreciate the difficult choices that had to be made by the Subcommittee Chairman, and recognize that he has crafted a balanced bill that attempts to address the needs of farmers, food and drug safety, rural communities, consumers, and those in our population most at risk nutritionally. But we are compelled to highlight several areas where additional resources are vital in order to ensure that U.S. agriculture remains globally preeminent in the next century, and that there is adequate investment in our nation's people and infrastructure.

FOOD SAFETY

One area that demands additional resources is food safety. Nine thousand Americans die, and another thirty-three million become ill each year from food borne pathogens. Currently less than two-tenths of one percent of all imported produce is being inspected for pathogen contamination. If we are serious about protecting the health and safety of the American people, then we need to commit greater resources to assure that their food and produce are of the highest quality. Imports of foreign grown produce and food are at record levels. American consumers are overdue for better and stronger safeguards. While the bill includes an additional $15 million over current spending levels for food safety, it falls $80 million short of fully implementing the President's food safety initiative for programs in this Subcommittee's jurisdiction. Additional resources must be found for both the Food and Drug Administration and the Department of Agriculture to ensure adequate protection for American consumers.

We are also concerned that this bill does not include a provision giving the Secretary of Agriculture the authority to levy civil penalties against those who violate the Federal Meat Inspection Act or the Poultry Products Inspection Act. Civil fines provide a quicker, more effective deterrent for violators of food safety laws than the lengthy process needed to obtain a criminal conviction. They can be used as an enforcement tool against plants that do not meet their

food safety responsibilities. This authority is critical to ensuring that the U.S. food supply remains the safest in the world. That is why the Clinton Administration and a wide range of consumer, labor, and public health groups support this provision. We will continue to work toward inclusion of this provision on this or any other appropriate vehicle.

WOMEN, INFANTS AND CHILDREN

Funding for the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) is frozen in this bill at the FY 1998 level of $3.9 billion, which is $157 million below the President's budget request. The Office of Management and Budget has indicated that this amount will only support a participation level of between 7.3 and 7.4 million women, infants and children who are nutritionally at risk. Based on current year-end projections for FY 1998, this could mean a reduction below the number of participants served by this program in the current year. While criticisms of the WIC program have been expressed, actions taken in this bill and report, as well as recent actions taken by the authorizing Committee, go a long way toward addressing these concerns. Improvements in management and administration of this worthy program at all levels can and should be made, but should not be at the expense of the pregnant women and children who depend on this program for a sound nutritional start in life. The WIC program is a sound long-term investment—each dollar spent on WIC yields more than three dollars in savings to the government through reduced spending on Medicaid and other programs. The WIC program ensure that millions of women and children receive adequate nutrition and health advice—preventing illnesses and other health problems in the future.

CONSERVATION PROGRAMS

It is critical that we end the erosion of USDA assistance available to provide basic technical conservation services to private agricultural landowners, particularly at a time when the control of animal waste presents a tremendous challenge to rural communities. The Federal government must maintain its commitment to support locally led conservation initiatives which secure a safe and productive environment. The funds provided in this bill are $40 million below the budget request for conservation operations. The bill also makes reductions in critical mandatory conservation programs such as the Wetlands Reserve Program, the Environmental Quality Incentive Program (EQIP), and the Wildlife Habitat Incentive Program (WHIP). Cuts in these worthy programs enabled the subcommittee to maintain or slightly increase funding for other worthy discretionary programs in this bill, but these tradeoffs mask the true impact of the spending levels in this bill.

This bill also provides no funds for the Farmland Protection Program because it is not authorized. We must step up our efforts to protect America's prime farmland from urban sprawl. Approximately 1.5 million acres of productive farmland disappears nationally each year to urban development. This is equivalent to two acres every minute. In many cases these lands are an irreplaceable world resource as a source of flood, fiber, fuels and forest products.

OTHER ISSUES

We are also concerned that the Committee could not do more to prevent America's youth from smoking. The bill includes $34 million for the President's Tobacco Initiative, the same amount provided for the current fiscal year. As astounding 4.5 million 12–17-year-olds smoke, and 3,000 young people under the age of 18 become regular smokers every day. The request of $134 million for the FDA Youth Tobacco Prevention initiative would have simply enabled strict enforcement of laws against tobacco sales to minors, and expanded FDA's education campaign to get the word out that these laws are on the books. An overwhelming ninety-two percent of Americans agree that young people should be required to show an ID to purchase tobacco. This is a mandate for action rarely seen and one that Congress should heed.

This bill also includes a reduction of $10 million for the mandatory Emergency Food Assistance Program (TEFAP) which purchases commodities for individuals greatly in need of assistance. Demand for food assistance through food banks and soup kitchens is increasing due to implementation of welfare reform. We are concerned that this reduction from the authorized level would mean less food will reach the most vulnerable Americans.

Another area of concern in this bill is funding for rural development programs, particularly funding for rural water and sewer programs. While we appreciate the increase of $30 million provided over current levels for direct water and sewer loans, we are concerned that this amount does not go far enough. Additional funding must be found to address the backlog of applications for technical assistance for financing for the modern, affordable water and sewer service necessary to improve the quality of life for thousands of rural Americans.

CONCLUSION

Again, we congratulate the Subcommittee Chairman for fashioning what may be the best bill possible within the allocation he was dealt. We appreciate his bipartisanship and his sensitivity to balancing the burden of these tight funding levels between the various constituencies served by this bill. But we would be remiss if we failed to point out the serious shortfalls that still exist for many programs. Without an additional allocation of resources, we continue to betray our commitment to American farmers and to all consumers who benefit from the bounty they produce.

MARCY KAPTUR.
VICE FAZIO.
JOSÉ SERRANO.
ROSA DELAURO.
NITA LOWEY.

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